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GOLD AND SILVER COINS.

March 17, 1832.

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Mr. Campbell P. White, from the Select Committee on the Gold and Silver Coins of the United States, made the following

REPORT:

The Select Committee to whom was referred the consideration of the state of the Coins; the relative value of Gold and Silver; the expediency of regulating the value of certain foreign Silver Coins, and of amending the laws governing the Mint of the United States; beg leave respectfully to report:

That your committee have examined the several subjects referred to them with that deliberation which the magnitude of the great interests involved in the regulation of the standard of value demands. The essential importance of a sound circulating medium as a standard by which values may be computed, exchanges effected, and contracts fulfilled with uniformity, integrity and justice, is universally acknowledged.

This measure of value and instrument for facilitating barter, has been subjected to various legal regulations in almost every nation, of whose acts there is any authentic record.

In modern times, its principles have been elaborately discussed and investigated by enlightened statesmen, by eminent philosophers, and, more recently, by numerous writers practically acquainted with extensive pecuniary concerns. Talents of no superior order have successfully explored the secret and silent operations of nature, and established principles and consequences which practice and experiment universally realize to be correct and effectual.

How then is it, that the science of money, is doomed to endless controversy, and that there is no approach towards uniformity of sentiment in any legislative body, upon a matter so intimately connected with national prosperity?

Is there any mystery in the system? are the uses and movements of money too intricate and involved, to be satisfactorily investigated and clearly understood? or has the frequent interference and changes of system, by all governments, for selfish or laudable objects, or under the influence of erroneous views, rendered a system which is only in appearance complex, really intricate or incomprehensible? The late Secretary of the Treasury has justly remarked in his very able report upon coins and currency, that

*"the public mind is not a little prone to delusion on the subject of precious metals and money, which has, no doubt, caused much injudicious legislation on these subjects." It being daily and universally realized, that money will procure every thing—necessaries, luxuries, and all kinds of possessions, for gratification or for profitable use—the impression naturally arises, that, if its amount is numerically large, in the like ratio must be its efficiency, in supplying these wants, and in promoting industry and prosperity.

Minds of great acuteness have yielded to these plausible but delusive impressions, and it will scarcely be credited, that the nations which have furnished the most striking proofs of this influence, of late years, are England and the United States.

It is truly singular, that these countries, eminently distinguished by their intelligence and progress in commerce, arts, and wealth, may be cited as corroborative evidence of the correctness of this observation.

For five and thirty years the press in England has teemed with disquisitions upon currency, and able and frequent discussions in Parliament confirm the fact of various views, and much dissatisfaction.

Since the late war our experience is not dissimilar. Congress have rarely assembled without having its attention invited to this subject, and the journals of the last session, in recording five elaborate reports upon currency, coins, and banks, conclusively evince that the existing system continues to be unsatisfactory to the public.

The committee do not hesitate to express their entire conviction, that these resembling and perplexing circumstances are the effects of similar causes—the suspension of specie payments in 1797 and 1814. The British Government effected a radical renovation of the currency in returning to a gold standard—a wise and judicious measure, viewed as an abstract proposition, but perhaps liable to severe animadversion for its oppressive exaction upon the income of industry and labor in that country; requiring an enormous amount of contributions for rent, government expenses, and public debt, to be paid in gold, when the chief part of these obligations might have been equitably discharged, as it was contracted, in depreciated paper.

Our contracts of that nature were fortunately trivial in comparative amount. It is, however, stated, by eminent authority, that the Government, during the late war; gave †"certificates of stock, amounting to eighty millions of dollars, in exchange for sixty-eight millions of dollars, in such bank paper as could be obtained. But the sum of sixty-eight millions of dollars received by the Government was in a depreciated currency, not more than half as valuable as that in which the stock given in exchange for it has been and will be redeemed. Here, then, is another loss of thirty four millions of dollars, resulting incontestibly and exclusively from the depreciation of the currency, and making, with the sum lost by the discount, forty-six millions of dollars."

The measures of Congress consequently have inflicted, (like those of the British Parliament,) a relative degree of exaction upon our tax payers, in requiring the war debt to be discharged according to our original metallic standard.

The committee highly approve of the return to the standard of silver, notwithstanding the incidental increase of the public debt, but the omission

* Secretary of the Treasury's report.

† Report of the Committee of Ways and Means on the Bank of the United States.

to mitigate that evil, by compelling, (as was done in England,) the simultaneous restoration of our previously prevailing and customary currency, is greatly to be regretted.

From 1783 until the late war, the quantity of gold and silver, in domestic circulation, was very large—amply sufficient to maintain a salutary degree of regularity in the total amount of currency, and calculated to secure, as far as legal regulations can accomplish, the very desirable object * "that every person who has coins of either silver or gold, may easily exchange them for coins of the other metal, and that the people may enjoy the advantage of using either species of coins, according to convenience or pleasure."

The arduous and responsible duty which has devolved upon your committee, appears to embrace an expansive and comprehensive consideration of our system of money; an examination of the principles upon which it was originally founded; the nature and effect of existing measures, and the suggestion of remedies for its alleged defects. In the course of their enquiries and investigations, the committee have perused and considered, with great care and attention, the reports upon gold coin, and also upon silver coin, which were presented by a select committee at the close of the last session of Congress; the sentiments therein expressed, as to general principles; the inferences from the conflicting opinions of eminent authorities; the various usage and experience of other nations, as well as our own; the reluctance evinced to regulate the value of gold, and the recommendations in regard to foreign silver coins, are so entirely in accordance with the opinions of your committee, that they have concluded to adopt them, and beg leave to submit those reports as a part of this report, and as a full exposition of their views upon the points noticed.

It is very evident from the tenor of the report on gold, which they now present, that the select committee of the late Congress were duly impressed with the importance of the facts and arguments submitted to their consideration by the honorable committee of the other branch of the legislature, in regard to the defective state of the currency. There appears to have been no diversity of opinion as to the existence of the evils stated, or the advantage of their eradication, if it were practicable. It was alleged † "that if it is the interest of the banks that we should have no gold coins, the public interest of the country is, that we should have coins of gold as well as coins of silver;" that ‡ "no man can foresee how far the present course of issuing paper money will proceed, or how long paper money, in its present forms or abundance, will be tolerated." The select committee appear to have assented to the correctness of the proposition, in alleging that § "the partial introduction of gold and silver into general circulation would, no doubt, render our current medium a more certain and stable measure of exchange;" but they maintained that, in order to secure the ‖ "use of gold eagles and their parts, and also of silver dollars, the issue of bank bills of one, two, three, five and ten dollars, must be prohibited;" and that ¶ "independent of other existing difficulties, the committee en-

* Report of Committee of the Senate on Coins.
† Idem.
‡ Idem.
§ Report of Select Committee on Gold, House of Representatives.
‖ Idem.
¶ Idem.

tertain the decided conviction, that the public faith solemnly guarantees to the proprietors of the Bank of the United States the privilege to issue five dollar notes."

An insuperable difficulty having been removed by the proposed renewal of the charter of the bank, now submitted to the consideration of Congress, your committee conceive it to be respectfully due to the other legislative department of the Government, that their remedial suggestions, as to the currency, should be more fully discussed and considered. The committee coincide in the opinion that *"the constitution of the United States evidently contemplates, in the power conferred upon this Government to coin money, regulate the value thereof, and of foreign coin, and the restriction imposed on the States to make nothing but gold and silver coins a tender in payment of debts, that the money of this country shall be gold and silver."

The losses and deprivations inflicted by experiments with paper currency, especially during the revolution—the knowledge that similar attempts in other countries (except its very limited use in England) were equally delusive, unsuccessful, and injurious—had likely produced the conviction that gold and silver alone could be relied upon as safe and effective money. These precious metals, called, "by way of eminence, money," had circulated throughout all time as an instrument of exchange in international commerce—the exclusive, effective, and acceptable currency, universally and unhesitatingly received, without the authority of legal regulation, in coin or bullion, in discharge of all contracts: their efficacy and utility had also been uniformly realized to the satisfaction and advantage of every State which had the good sense to permit their free circulation. Gold or silver—homogeneous, indestructible, and susceptible of infinite divisibility—nearly invariable in reference to the ordinary duration of contracts, and presenting, when tendered, the correct measure, and real equivalent of the article bargained for—exhibiting properties peculiarly and eminently adapted to perform the functions of money—having circulated for ages among all civilized nations, with the universal concurrence of mankind, as money—equally effective in paying the daily wages of labor, as in the discharge of every variety and amount of obligation—it is not surprising that the wise framers of the constitution should have decided to continue and maintain gold and silver as the exclusive currency of these States. It is a tribute of respect justly due to the wisdom and judgment of those eminent patriots, in the opinion of your committee, to assert, that subsequent experience has fully illustrated and established the correctness and policy of their views in regard to money.

In 1791, after encountering very powerful opposition, an alteration was effected in the system which prevailed, by the establishment of the first Bank of the United States. The regulations then adopted were analagous to the usage of England.

The Bank of England, from its establishment in 1694, furnished, by the issue of notes, a considerable portion of the circulating medium of that country. It did not emit any notes of a less amount than £10 sterling, ($44\frac{4}{9}$,) until 1777, when the restriction was reduced to £5 sterling, ($22\frac{2}{9}$.) which limitation continued until the suspension of cash payments in 1797. The amount of Bank of England notes then in circulation was under nine millions of pounds; the previous issues for a long time varied from six to ten mil-

* Report of Select Committee of Senate on Coins.

lions of pounds; the amount of gold was estimated at 25 to 30 millions of pounds sterling. It may therefore be concluded that, during the entire period in which a mixed currency circulated to the public satisfaction, that the aggregate amount of national and private bank notes did not likely compose more than one-third part of the currency of Great Britain.

The first Bank of the United States, except at its commencement, issued no notes under ten dollars, and as its circulation at the end of twenty years did not much exceed the amount of its specie fund, about five millions of dollars, it may be inferred that, until 1811, gold and silver constituted an important portion of the circulating medium, and that the regulations of Congress, adopted in 1791, established the system contemplated by General Hamilton, that *"Bank circulation is desirable rather as an *auxiliary* to, than as a *substitute* for, that of the precious metals." From the tenor of the report of that distinguished statesman, it is very evident, whatever may have been the effect upon the currency from the establishment of the bank; that he was sincerely desirous to increase the quantity of gold and silver, and to regulate the standard in these metals upon the least variable principle.

He states† that "the positive and permanent increase or decrease of the precious metals in a country, can hardly ever be a matter of indifference; it is evident that gold and silver may often be employed in procuring commodities abroad which, in a circuitous commerce, replace the original fund with considerable addition. But it is not to be inferred, from the facility given to temporary exportation, that banks which are so friendly to trade and industry, are, in their general tendency inimical to the increase of the precious metals."

The institution of banks has been highly advantageous to commerce, when judiciously regulated and administered; but there are various kinds of these institutions.

Banks of deposite, which were first introduced, are peculiarly appropriate to States of limited population and extent, carrying on extensive dealings with adjacent countries; coin of every description was received for safe keeping at its intrinsic value, and instantly credited as current and effective money, transferable to order, or subject to be withdrawn at a very trivial charge. Commercial transactions were adjusted by the transfer of these deposites, and thus the trouble of counting money was saved, and all charge for coinage or wear of the precious metals was avoided.

Banks of discount, as well as deposite, were calculated to confer more important benefits: the capital invested being a satisfactory pledge for the security of deposites, unappropriated money was collected into the most favorable position for its distribution, in the form of discounts or loans, to meet the demands of commerce.

Banks of discount, deposite, and circulation, are of more recent origin, and possess more extensive powers, which might apparently be used so as to produce still greater advantages. In addition to the facilities stated, they were expected to dispense the further benefit of furnishing a currency without any national expenditure, worth notice for its material, coinage, or wear; and susceptible of expansion or contraction at the pleasure of the issuers, in accordance with the fluctuating wants and general interests of the community.

Doctor Smith and Mr. Ricardo are considered to be the most able advo-

* General Hamilton's report on the Mint.

† General Hamilton's report on the Bank of the United States.

cates in favor of paper currency. The views of these distinguished men are essentially the same; they allege the practicability of maintaining a paper circulation of equal value with the gold or silver which it is intended to represent. The one states that * "a paper money consisting in bank notes issued by people of undoubted credit, payable upon demand without any condition, and in fact always readily paid as soon as presented, is, in every respect, equal in value to gold and silver money, since gold and silver money can, at any time, be had for it. Whatever is either bought or sold for such paper, must necessarily be bought or sold as cheap as it could have been for gold and silver." And Mr. Ricardo remarks that, †"a currency is in its most perfect state when it consists wholly of paper money, but of paper money of an equal value with the gold which it professes to represent." Our system exemplifies the first proposition, and its accuracy in practice may be thereby tested. As to the correctness of the last principle, the committee entertain no doubt; but, the omission of these authors is unpardonable in not communicating to the public, the means by which bank directors, or treasury commissioners, were to ascertain the amount of gold which would circulate in the absence of the paper currency. Without presuming to declare that such knowledge is beyond human attainment, the committee may question the policy or advantage of asserting an apparently impracticable principle, when its annunciation tends to sanction the delusive views and regulations in regard to money, which these eminent writers have elsewhere laboriously endeavored to dispel.

For the last fifteen years, our currency has been exclusively bank notes (except for small change) subject to redemption on demand, with silver. This liability is a powerful restraint on issues during an adverse balance of payments with foreign nations; but, at all other times, it is nominal. Silver may be demanded and obtained for notes; but it is utterly impossible to retain a single dollar of coin in circulation, when the issue of notes of that denomination are permitted, which is the case in a great majority of the most wealthy, populous, and commercial States of the Union.

There is no example in history of a currency similar to that of the United States. It is bank notes issued without restraint, unless when a high rate of foreign exchange prevails.

This system was established through the agency of the Bank of the United States, in 1817; two years afterwards the bank was on the verge of failure; the pecuniary disasters of 1819, inflicted such serious injury and embarrassment, that the bank was unable, for several years, to accomplish one of the great objects of its establishment, that "of furnishing a sound circulating medium."

The committee think that its agency has co-operated very influentially in restoring and maintaining specie payments, but they are not prepared to admit that the existing currency, notwithstanding its great superiority to that of 1815 and 1816, is ‡ "not only sound and uniform in itself, and perfectly adapted to all the purposes of the Government, and the community, but more sound and uniform than that possessed by any other country."

The committee are of opinion that the present currency is inferior, in regard to safety and uniformity, to that used by the people of the United

* Smith's Wealth of Nations.
† Recardo on Political Economy.
‡ Report of Finance Committee of Senate.

States from 1789 to 1811. The committee believe, that gold or silver is the only sound, invariable, and perfect currency, that human wisdom has yet devised. The policy or advantage of introducing, partially, a substitute for this costly medium of exchange, is altogether a distinct consideration, essentially different from the singular proposition that any substitute or representative can be equivalent or better than the article intended to be represented. The advantages alleged to appertain to the use of paper, as a substitute for money, are its economy, and its power quickly to expand to meet the demands of trade; in other words, its capability to furnish, promptly, great abundance of currency, at a price not deserving consideration.

Its early and powerful advocate, Dr. Smith, states that *"the subtitute of paper, in the room of gold and silver money, replaces a very expensive instrument of commerce with one much less costly." The capital thus disengaged, may be employed †"in purchasing foreign goods for home consumption, such as wines, silks, &c." or it may be appropriated‡ "to purchase an additional stock of materials, tools, and provisions, in order to maintain and employ an additional number of industrious people." He admits, that (§) "so far as it is employed in the first way, it promotes prodigality, and is in every respect hurtful to the society." ‖"So far as it is employed in the second way, it promotes industry, and although it increases the consumption of the society, it provides a permanent fund for supplying that consumption."

The capital necessarily invested in a country using gold and silver money alone, is variously estimated at one-tenth, one-twentieth, or one-thirtieth part of the annual income. It is, therefore, evident that the yearly revenue necessary to supply the wear of such durable metals, cannot amount to a tax of any importance to an industrious community.

The advantages here presented are uncertain and problematical; the chances, whether the relief from a tax nearly imperceptible in its effects upon individual income, will be converted into useful capital, or expended upon gratifications; yet, upon this uncertain basis, the national saving, from the use of bank notes in place of gold and silver, is calculated with the precision of a fixed interest upon funded debt. It has been remarked ¶ "that there have been, therefore, on that principle, (the substitution of paper for coin) only forty millions of dollars saved and added to the productive capital of the country; this, at the rate of five per cent. a year, may be considered as equal to an additional annual national profit of two millions of dollars."

Admitting the correctness of this estimate, its value will be truly ascertained when the evils and injuries inflicted by re-actions in trade, attributable chiefly to inconsiderate bank issues, are enumerated and valued. The recent export of specie has swept away the delusive coloring given to the actual result of productive industry in 1829, 1830, and the early part of 1831. Real estate appreciated greatly, local stocks commanded unheard of prices, warehouses and dwellings were improved and embellished, and money was so abundant that it could readily be obtained, to any amount, upon

* Smith's Wealth of Nations.
† Idem.
‡ Idem.
§ Idem.
‖ Idem.
¶ Gallatin on Currency.

promissory notes. How changed is the general aspect of things within a few months? all our solid possessions and means of industry remain, land continues to be equally productive, labor is recompensed with its usual reward—the seasons have not been unfriendly.

Whence, then, this lamentable change in our affairs? Why has great scarcity of money, depreciation in the value of all commodities and of all property, great commercial distress, and absolute impossibility with many solvent persons to discharge their just debts, so speedily and grievously succeeded the gratifying and prosperous picture which was so lately presented?

The exportation of several millions of dollars is the reason generally assigned for this sad reverse. The cause stated seems inadequate and disproportioned to the important nature and magnitude of the effect produced. It is not possible to conceive how an individual, really prosperous, can be injured by the payment of his just debts at the time when due. Your committee cannot believe that the discharge of debts, contracted by a community of individuals pursuing their usual trade, can be embarrassing or injurious, if their apparent prosperity rested on a solid basis.

The committee think that national wealth is the consequence of the steady progress of productive industry, aided by judicious frugality; they believe that the operations of traders are acts of agency between the producers and consumers; that the average result of these transactions is an equitable exchange between the parties, yielding a reasonable compensation to the highly useful agent. When, therefore, the merchant, importing or dealing in the necessary supplies for consumption, realizes more than ordinary profit for a season, it is his interest to be circumspect the ensuing year: the late extra profit was realized at the expense of the producer or consumer, which cannot last; the intercourse between these two (though indirect) being in the nature of things, on an average, merely the exchange of commodities of equal value. Ardent and enterprising traders, stimulated with the seductive prospect of another golden harvest, use not only their capital and recent gains, but their credit also, in purchasing an increased quantity of goods. Competition raises prices, and the pressure of a heavy stock, with no increase of consumption, forces destructive sales, or realizes the certainty of heavy losses.

This is the course of trade in all countries, modified by their respective systems of money and of credit: the commercial affairs of that country is best regulated when credit is not too cheap or too easily obtained. Protection to persons and property is sufficient to encourage every useful degree of industry and enterprise: extraordinary facilities and aid, in money or business transactions, produces inconsiderate over-trading, mortifying disappointments, pecuniary loss and embarrassment. In a commercial country, such as France, where the currency is metallic, the consequent restrictions upon credit operates powerfully against over-trading; adverse balances are not frequent, and never of such magnitude as to occasion a heavy and distressing drain upon the currency; failures are comparatively few, and the circulating medium preserves that uniformity so essential to an equitable discharge of contracts, while its stability, under every vicissitude of commerce, change of Government, invasion, or recent revolution, maintains public confidence, effects every necessary transfer, and enables industry to proceed with its accustomed labor. The committee cannot avoid soliciting attentive consideration to the experience of France since

the year 1795. Bank notes are not issued under 500 francs, ($93\frac{3}{10}$) and their circulation being chiefly confined to the large commercial transactions of Paris, they are not ordinary currency, but inland bills. The comparative exemption of France from the evil effects of over-trading, and from pecuniary distress and loss of confidence during political events, which would likely have produced a general suspension of payments in a country circumstanced like England, are advantages, appertaining to a gold and silver currency, of incalculable value.

The use of a substitute for the precious metals must be mainly attributable to mistaken views as to the nature of money, or as to the effect of a general scale of high prices.

Gold or silver money is an exceedingly useful and convenient instrument for facilitating barter, but it differs, essentially, from all other labor-saving machines.

If the quantity of machines or engines be increased, a proportionate increase of work may be executed; but an increase in the money of commerce and exchange, only tends to render the instrument less portable or convenient.

The committee are convinced that every nation will be supplied with that portion of gold and silver essential to its wants, and that any measures which artificially produce a comparative redundance in a particular country, only serve to raise the price of all things, without benefit to any producer, or to the community.

The money or market price of commodities varies with the supply and demand, but the price must, on an average, amount to the labor and capital expended on production, or the article will cease to be produced—if the average market price much exceeds this real cost, the transition from other occupations is so easy that competition will speedily reduce extra profits to the ordinary level.

Money price, at any particular time and place, is a correct measure of market and relative value, and an easy mode of rating commodities; but it is surely immaterial to the producer whether a certain quantity of cotton or tobacco sells, on an average, for ten ounces of gold, or ten ounces of silver, (one-sixteenth part) provided, wheat, corn, clothing, and all other articles, are measured by the same scale. The annual income, or riches, of the United States is positively and relatively great, because it maintains, in a state of unexampled comfort, thirteen millions of inhabitants—this recompense to industry may perhaps be rated at eight hundred millions of dollars; if the mines of America had never been worked, it would not have been valued at one-fourth, probably not one-eighth part of that amount; but the real intrinsic value of our income would certainly be the same as at present.

Although the quantity of necessary, useful, or gratifying, products is the true measure of wealth, and not their value in money; yet, as money is the just measure of commerce and exchange, and the standard by which contracts are fulfilled, it is of high importance that its quantity should be subject to little variation. If gold or silver, or both metals, circulated freely and exclusively in all countries, the relative difference in currencies would rarely fluctuate beyond the charges of transportation—say one to one and a half per cent. But in States where paper is issued, though convertible into specie, the redundance of the circulation is confined by no ascertained limit, and its excess will be in proportion to the variety of payments which it effects.

In England, where notes under five pounds sterling are prohibited, the reaction from excess in issues will, perhaps, be as frequent, but they will be less prejudicial, than we experience.

This inherent defect in convertible paper, presents an objection almost insuperable to its use. Dr. Smith states, that *"the whole paper money, of every kind, which can easily circulate in any country, never can exceed the value of gold and silver, of which it supplies the place, or which (the commerce being supposed the same) would circulate there if there was no paper money." Yet it is singular, with the conviction thus decidedly expressed, that convertible paper cannot be issued to an excess, that he should subsequently use these remarks: †"It were better, perhaps, that no bank notes were issued in any part of the kingdom for a smaller sum than five pounds;" and that ‡"the commerce and industry of the country, however, it must be acknowledged, though they may be somewhat augmented, cannot be altogether so secure, when they are thus, as it were, suspended upon the Daedalian wings of paper money, as when they travel about upon the solid ground of gold and silver."

General Hamilton, in adverting to the influence of agriculture and manufactures on the § "increase or decrease of gold and silver," has remarked "if this be true, the inference seems to be that well constituted banks favor the increase of the precious metals."

These intelligent and sagacious theorists appear to have been unacquainted with two practical facts: 1st. That gold or silver will be repulsed from all the channels of circulation in which the denominations of the notes will admit their use; and 2d, that the liability of a currency, exclusively of paper, to be redeemed in coin, is entirely inoperative until an unfavorable balance in foreign trade creates a demand for specie for exportation; this effect rarely occurs in less than three or four years, during which time banks are unrestrained in their issues, unless their own ideas of prudence should be sufficiently powerful to resist the temptation of making profitable loans.

It is correctly remarked, that ‖" no certain estimate can ever be formed of the quantity of money required to conduct the business of any country; this quantity being, in all cases, determined by the value of money itself, the services it has to perform, and the devices used for economizing its employment." The existence of a legal right to convert bank notes into coin, is specious and imposing, inviting the judgment to conclude that it must be an effective restraint upon over issues: but the authority which we possess to demand coin is essentially different in its effects from an indispensable necessity constantly and daily to require coin, when, for example, as in England, the emission of notes under £5 sterling ($22\frac{2}{9}$) is prohibited, there must be an unceasing and active demand for coin to make small payments and purchases; in the aggregate of large amount. Banks thus circumstanced may, nevertheless, at times increase, in some degree, their circulation; but the issue of notes of large denomination, to an amount exceeding that of the gold or silver, which would circulate if there were no notes, inevitably raises the prices of every thing, and this general rise of prices necessarily increases the demand for coin in the channel where notes cannot circulate, and effectually prevents such excessive issues as we experience.

* Smith's Wealth of Nations.
† Idem.
‡ Idem.
§ General Hamilton's report.
‖ McCulloch on Political Economy.

Where banks enjoy public confidence, and their notes are adapted to discharge every object of expenditure, the occasions will be very rare when coin will be demanded. In such a state of things, the occurrence of a foreign demand for specie will be the *only* operative restraint upon issues. Mr. Say has judiciously observed, that * "one method of checking the immoderate use of notes is, to limit them to a fixed and high denomination of value, so as to make them adapted to the circulation of goods from one merchant to another, but inconvenient for the circulation between the merchant and the consumer."

The consequence of the prevailing system is, that the currency of the United States is bank notes, to the exclusion of the precious metals—a silver dollar the money unit has ceased to circulate; and this important change in the circulation has no doubt caused the attention of Congress and of the public to be so frequently called to the state of the currency.

The committee think that the exclusion of gold and silver coins from circulation is a serious defect, which ought not to be tolerated, and which should be speedily remedied. There is no example on record of the successful issue of a paper currency, and our experiment has been too short and dubious to prove its suitableness as a permanent regulation.

Even in England, where their lowest issue of notes, at any time, was £1 sterling, ($4..56,) and, for several years past, not less than £5 sterling, the absence of an abundant supply of gold coin was deemed to be such an essential defect in their currency, that the prime minister, Lord Liverpool, forcibly remarked: "Looking at the example of Lancashire and London, all the difficulties on the subject completely vanished. Why did gold circulate there? Because they had no paper currency. Why was there no gold in other places? Because they had a paper currency. No fact had been more clearly established by experience on the subject, than this: that gold and paper never could be brought to circulate together. No paper would circulate where gold did; and no gold where paper circulated. There could be no common issues of both. This, he repeated, was clearly proved by all experience. The object of every description of currency should be to make the value of property as steady and as little variable as possible."

Our present system is at variance with established and admitted principles in regard to money; with the views of the generality of the most approved writers, with the intentions of the wise founders of the constitution, and with the aim and object of the two Secretaries of the Treasury, who were the prominent, able, and influential advisers of Congress upon the subject of currency.

General Hamilton, in recommending the establishment of the first Bank of the United States, confidently anticipated (as has been already shown) that its operations would have a tendency to increase the quantity of the precious metals: no one could be more thoroughly convinced of the high importance of a sound currency, of equal uniformity with the standard of value, which was regulated in gold and silver. He would not have recommended the use of bank notes even "as an auxiliary to the precious metals," if he had entertained the slightest apprehension that a greater amount of notes would be circulated than the gold or silver which they displaced. Upon recommending regulations for the standard of value, his anxiety to secure all attainable *invariability*

* Say on Political Economy.

is evinced in his inclination to attach it to *gold* alone, alleging that *"the inducement to such a preference is to render the unit as little variable as possible; because on this depends the steady value of all contracts, and, in a certain sense, of all other property."

These objects of great national interest could not have been accomplished, unless the money unit, or its exact representative, was the measure and medium used in the discharge of all payments, that is to say, the mixed currency of notes and coin, must have been contemplated to be at all times, in its aggregate amount, precisely similar to the amount of currency which would circulate if gold and silver coin were used exclusively; the regulation of the money unit, in any other sense, would have been useless, and could not possibly have involved, as he states, †"a great variety of considerations, intricate, nice, and important. The general state of debtor and creditor; all the relations and consequences of price; the essential interests of trade and industry; the value of all property; the whole income, both of the State and of individuals, are liable to be sensibly influenced, beneficially or otherwise, by the judicious or injudicious regulation of this interesting object."

The views maintained by the Secretary of the Treasury, (Mr. Dallas,) when he recommended the establishment of the present National Bank, were of similar character. Adverting to the power of Congress, he states that, ‡"under the constitutional authority, the money of the United States has been established by law, consisting of coins, made with gold, silver, or copper: but it is within the scope of a wise policy to create additional demands for coin, and, in that way, to multiply the inducements to import and retain the metals of which it is composed. For instance, the excessive issue of bank paper has usurped the place of the national money, and, under such circumstances, gold and silver will always continue to be treated as an article of merchandise: but it is hoped that the issue of bank paper will be soon reduced to its just share in the circulating medium of the country; and, consequently, that the coin of the United States will resume its legitimate capacity and character:" and, again: "it is nevertheless with the State banks that the measures for restoring the national currency of gold and silver must originate; for, until their issues of paper be reduced, their specie capitals be reinstated, and their specie operations be commenced, there will be neither room, nor employment, nor safety, for the introduction of the precious metals." And he concludes a statement of the advantages to be derived by instituting the National Bank, in these words: "and acting upon a compound capital, partly of stock and partly of gold and silver, the National Bank will be the ready instrument to enhance the value of the public securities, and to restore the currency of the national coin."

Your committee cannot doubt but the evidence here adduced, and every act of the General Government since its adoption, will clearly and conclusively establish that its founders, and all its successive administrators, uniformly contemplated and intended that the currency of the United States should be composed exclusively or chiefly of gold and silver coin: the constitutional expression is clear and distinct: at the first introduction of bank notes, it is expressly declared that they were intended to be used only as "an auxiliary to the precious metals," and the act of 1816 was recom-

* General Hamilton on the Mint.
† General Hamilton on the Mint.
‡ Dallas's Report.

mended with an avowed intention "to restore the national currency." Your committee believe that the existing circulating medium is not "the national currency" recommended by the Secretary of the Treasury, or that which Congress contemplated "to restore."

Your committee have presumed to dissent from the generally received and very plausible opinion, sanctioned by eminent authorities, that "the whole paper money, (if convertible) of every kind which can easily circulate in any country, never can exceed the value of the gold and silver of which it supplies the place." And as the correctness of these opposite opinions has an important bearing upon the subject under discussion, they beg leave to refer to some authentic statements in regard to circulation, in corroboration of their views.

It is stated, by highly respectable authority, that the amounts of notes in circulation, issued by the banks here enumerated, about the respective periods indicated, were as follows:

	1830.	1832.	Relative increase of circulation in two years.
Massachusetts,	$4,730,000	$7,700,000	65 per cent.
Rhode Island,	670,000	1,340,000	100 " "
New York,*	10,000,000	14,100,000	40 " "
Pennsylvania,	7,300,000	8,760,000	20 " "
Bank United States,	15,300,000	24,600,000	67 " "
	$38,000,000	$56,500,000	

Aggregate relative increase of circulation, nearly fifty per cent.

Relative amounts of specie on hand.

	1830.	Proportion of specie to bank notes.	1832.	Proportion of specie to bank notes.
Massachusetts,	990,000	1 *a* 5	930,000	1 *a* 8
Rhode Island,	340,000	1 *a* 2	430,000	1 *a* 3
New York,*	2,000,000	1 *a* 5	2,000,000	1 *a* 7
Pennsylvania,	2,410,000	1 *a* 3	2,600,000	1 *a* $3\frac{1}{2}$
Bank United States,	7,600,000	1 *a* 2	7,040,000	1 *a* $3\frac{1}{2}$
	$13,340,000		$13,000,000	

Aggregate proportion of specie to bank notes in 1830, 1 to $2\frac{6}{7}$.
Aggregate proportion of specie to bank notes in 1832, 1 to $4\frac{1}{3}$.

These banks furnish considerably more than one half of the entire paper currency; and, as the operations of all moneyed institutions are generally regulated by, or in conformity with, the course of business pursued by the most powerful and important establishments, it is a fair and reasonable conclusion, that all other banks have been equally liberal in their contributions to the currency. As no notice is taken of the amount of notes held by other banks, it is supposed that this statement may exceed, by one-fifth or one-sixth part, the true circulation; but, as a reduction of that nature would operate with correspondent effect at each period, it would not materially influence the relative increase of the currency, which is the important consideration.

*Twelve New York banks make no return to the Legislature, and therefore, these amounts are estimated from the best data that could be procured. See New York Bank Commissioners' report. Gallatin on currency, and United States' Bank statements.

The committee, therefore, feel authorized to infer, that there has been an increase in the currency to the great extent of forty or fifty per cent. within the short period of two years. The amount of notes circulating in 1830, was estimated by Mr. Gallatin at sixty-two million of dollars: if subsequent issues by the banks have added forty or fifty per cent., equal to twenty-five to thirty millions of dollars, to the previous amount of currency, it is very evident that this increased amount must greatly exceed the quantity "of the gold and silver of which it supplies the place."

If the currency had been metallic, such an increase to it would have been impossible, as it would have required a supply of gold and silver nearly equal to the entire product of the mines of the world during that period—equivalent to more than one half of the annual export of our domestic productions: these extra issues have not added, in any degree, to the real and effective value of the currency of 1830, while the banks have thereby profitted, in interest on additional loans, to the extent of one and a half or two millions of dollars, yearly, at the expense of the community.

The value of gold and silver money depends upon its proportion to the quantity of exchangeable commodities, and whatever may be the value of these metals, it is nearly invariable, because the annual produce of the mines, whether small or great, is trivial in comparison with the vast accumulation of ages. It has been already shown that the variation in the relative value of the currency in States where the precious metals alone circulate, can rarely, if ever, exceed the charges upon their transportation: peculiar regulations, such as the seignorage upon coin in France, and the rejection of silver as money in England, would favor a greater appreciation of our currency, if composed of silver; but these modifications do not affect the general principle that there cannot be any considerable accumulation, relatively, of real money in any country: a transient increase will arise from a favorable balance in trade; but gold and silver thus received, will speedily be sent abroad to buy cheap goods, or, by raising prices, it will soon create an adverse balance, and be exported. It is not so with paper currency: whether convertible or not, it possesses no intrinsic value, and, consequently, it is not current or exchangeable in foreign trade.

In dull and unprofitable times, banks cannot extend their issues so as materially to affect the value of the currency; but when business has been so successful for a time as to occasion an eager desire to speculate in merchandise and real estate, or to make investments in various projects for productive or public improvement, extensive discounts and loans will be demanded, which the banks cheerfully furnish to any extent, as it can be done without cost, and to their great profit. The appreciated value of all things, caused by such speculations, requires a proportionate increase of the circulating medium, which essentially degrades the value of the currency, until a violent reaction restores it to the proper equilibrium, inflicting, in the operation, heavy and destructive losses, and much real suffering, and impeding, temporarily, the ordinary and salutary course of trade and industry.

The committee are convinced that the banks, during the two last years, have contributed greatly to inconsiderate overtrading, which has produced the present pecuniary distress, and consequent depression of prices; injudicious discounts and loans have inflicted serious injury upon the circumstances of the borrowers, and the facility thus given to an increase of notes, has caused excessive issues, and great depreciation of the currency. The annual income of the United States being composed chiefly of raw products, it is

not possible that the increase in its quantity, and consequently in the legitimate demand for money, can much exceed the regular increase of the population: the fact that a bank note of one dollar, or of one hundred dollars, can now be converted into coin with equal facility as in 1830, does not establish that the currency, at these respective periods, was of the same value. If it be alleged, that the specie of these banks, which amounted, at both periods, to thirteen millions of dollars, was an abundant and adequate fund, as effective to meet every demand for the redemption with coin of notes, which amount at present to fifty-six millions of dollars, as it was in 1830, when the circulation of the same banks was only thirty-eight millions of dollars; it merely demonstrates the correctness of the opinion advanced, that the convertibility of the currency, in ordinary times, is nominal, and does not operate as any restraint whatever upon over issues.

The committee cannot doubt from the details exhibited of the excessive circulation of these important banks, that the currency has been suddenly, injudiciously, and injuriously degraded, to the prejudice of pending contracts, and to the subversion of the intrinsic value of the money unit, "upon which the security and steady value of property essentially depend."

It being a generally admitted and well established principle, that the value of money depends upon its relative quantity to that of exchangeable commodities, the committee cannot resist the inference that the currency has greatly depreciated since 1830, nearly in an inverse ratio with the increase of its aggregate amount.

Mr. Gallatin in his able essay on currency and banks, has observed, "where a paper has been substituted to a metallic currency, any similar considerable increase in its amount, must cause a corresponding depreciation in its value, if the aggregate value of the objects annually paid for in currency remains the same"

"If fifty-five millions of ounces of pure silver, at its present value as compared with all other commodities, are sufficient on an average to effect all the payments made in the United States in currency, the whole quantity of a paper currency substituted to silver, cannot, on an average, whatever its nominal amount may be, exceed in value fifty-five millions of ounces of pure silver, or about seventy-one millions of dollars in our present coin; whether such currency amounted nominally to seventy-one, one hundred, or one hundred and forty millions of dollars, its value would not, on an average, exceed that of the seventy-one millions of silver dollars wanted to effect the necessary payments; and the paper money would generally depreciate, at least in proportion to the excess of its nominal amount, beyond seventy-one millions of silver dollars."

And it has been wisely and judiciously maintained by one of the highly respectable authorities already adverted to, that *"no proposition is better established than that the value of money, whether it consists of specie or paper, is depreciated in exact proportion to the increase of its quantity, in any given state of the demand for it. If, for example, the banks, in 1816 doubled the quantity of the circulating medium by their excessive issues, they produced a general degradation of the entire mass of the currency, including gold and silver, proportioned to the redundancy of the issues, and wholly independent of the relative depreciations of bank paper at different

* Report of Committee of Ways and Means.

places, as compared with specie. The nominal money price of every article was, of course, one hundred per cent. higher than it would have been, but for the duplication of the quantity of the circulating medium. Money is nothing more nor less than the measure by which the relative value of all articles of merchandise is ascertained. If, when the circulating medium is fifty millions, an article should cost one dollar, it would certainly cost two, if, without any increase of the uses of a circulating medium, its quantity should be increased to one hundred millions. This rise in the price of commodities, or depreciation in the value of money, as compared with them, would not be owing to the want of credit in the bank bills of which the currency happened to be composed. It would exist though these bills were of undoubted credit, and convertible into specie at the pleasure of the holder, and would result simply from the redundancy of their quantity."

Upon mature deliberation, the committee are of opinion, that the present system of circulation is destructive to the uniformity of the standard of value, occasioning it to vary in a ratio with a very variable currency, causing it to fluctuate with the changeable and interested policy of the banks, instead of being regulated by the deliberate and impartial judgment of Congress; they think that it encourages inconsiderate speculations, facilitates overtrading, interferes with the just fulfilment of contracts, and operates, according to the uncertain course of events, to the prejudice of debtors or of creditors.

A continuation of national prosperity is highly interesting and gratifying, but it is too justly attributable to the skill, industry, and capital of an active and intelligent people, to be relied upon as an argument, or exemplification of the merits of a system at variance with general principles and approved opinions, with the intentions of Congress, and with our former long established usage.

The committee conceive it to be justly and sensibly remarked, that over-issues of bank paper * "always lead to overtrading, ruinous to individuals, embarrassing to some of the moneyed institutions, and, thereby crippling others, and may so overburden the whole as to render the enforcement of specie payments utterly impossible:" "nothing (in money matters) could be more disastrous than the necessity of suspending specie payments, which is always attended by excessive over-issues of paper, and the consequent fluctuation in value of every kind of property." While the committee thus assent to the correctness of these opinions, they sincerely hope "that the pressure may pass over without deranging the currency, or causing a ruinous depression of prices."

The essential importance of wise regulations, in regard to money in all nations, but especially in those distinguished by industry and commerce, is asserted or admitted by all eminent and respected authorities. Circumstances having now restored to Congress the ability to exercise its judgment, at pleasure, in the use of this sovereign and specially delegated power, your committee are duly impressed with the momentous duty with which they have been charged: they have devoted to the investigation of this interesting department of national policy, much labor and research, and the most attentive and deliberate consideration, and, whatever estimate may be attached to their views or conclusions, they are conscious of having exercised their judgment without partiality or prejudice, and with a single eye to the public welfare.

* New York Bank Commissioners' Report.

Having adopted the report of the Select Committee, of last session, upon gold and silver, they will not recapitulate the views there recorded.

Your committee are convinced that gold or silver coin constitutes the only sound and invariable currency—the only effective money under all contingencies and emergencies, and the cheapest circulating medium, if the injurious effects of substitutes upon trade, industry, and property, in adverse periods, be fully and justly estimated.

The committee do not recommend a return to the money system of the wise framers of the constitution, because they are impressed with the expediency and justice of duly respecting opposite opinions and depending interests.

The committee believe that there is a great error, in supposing that an increase of the circulating medium adds any thing to the real capital of the nation, yet they think that bank notes may circulate "as an auxiliary to that of the precious metals," with security and effect, if they are restricted by their denomination to effect large payments.

They are satisfied that none of the laws of Congress ever contemplated that the currency was to be composed, as at present, exclusively of bank notes: it is a new system justly denominated *"an experiment," and they cannot doubt but that it ought to be made to conform effectually to the spirit and letter of these laws.

The committee consider that the high authority (interdicted to the States) "to coin money and regulate the value thereof" by the standard of gold or silver, is rendered nugatory and inoperative under the present system. And they respectfully suggest, that the sovereign power, which involves "the general state of debtor and creditor, all the relations and consequences of price, the essential interests of trade and industry, and the value of all property," is so interesting and important to the general welfare, that Congress should permanently possess it, or especially reserve the right at all times to alter any statute in regard to currency.

Your committee earnestly recommend the expediency and utility, (when a faithful regard to vested rights will admit its exercise,) of adopting efficient measures "to restore the currency of the national coin," as they are convinced of the correctness of the opinion, that "the public interest of the country is, that we should have coins of gold as well as coins of silver."

They coincide in the accuracy of the observation that, † "it is the peculiarity of our moneyed system, that, in many parts of the country, the precious metals are excluded from the minor channels of circulation by a small paper currency; in consequence of which, the greater portion of these metals is accumulated in masses at the points of most convenient exportation. Now, with a widely diffused metallic currency, the occasional demands for exportation are more gradually felt; the portion exported bearing a small relation to the whole, occasions less inconvenience, and the excesses of exportation can be more readily corrected without injury:" and they believe that in proportion to the amount of gold and silver coin infused into the currency, it will, in that ratio, be the more stable, safe, and uniform, as a measure of value and medium of exchange and of payments.

The committee are entirely convinced that gold and silver coins cannot be maintained permanently in circulation, unless the issue of bank notes of one to ten dollars be prohibited.

* Triennial Report Bank United States, 1832.
† Idem.

They are of opinion that the views expressed with regard to foreign silver, are equally appropriate, as a beneficial commercial regulation, in reference to such gold coins as circulate in general commerce.

The committee beg leave to report the accompanying bills, and will hereafter report upon the mint, and with respect to coins of the integral parts of an eagle and dollar.

GOLD COINS OF THE UNITED STATES.

FEBRUARY 22, 1831.

The Select Committee on Coins, to whom was referred the bill from the Senate, entitled "An act concerning the gold coins of the United States, beg leave respectfully to report:

That the subject presented to them, involves in its consequences one of the highest attributes of sovereignty, the delicate relations which subsist between debtor and creditor, the important interests of industry, and ultimately, the value of all property; and emanating from a source entitled to great respect, they have given to it the most mature examination; but finding themselves obliged to dissent from the conclusions, at which the Senate have arrived, they now submit the result of their inquiry to the consideration of the House.

The bill from the Senate proposes to alter the standard which has regulated the measure of contracts for nearly forty years. The change intended to be effected is to raise the relative value of gold from 1 for 15, to 1 for 15.9 of silver, equivalent to an alteration of six per centum in the existing standard.

It was judiciously remarked by the distinguished and enlightened statesman who presided over the Treasury Department, when the present regulation was adopted by Congress, that "there is scarcely any point in the economy of national affairs, of greater moment than the uniform preservation of the intrinsic value of the money unit: on this the security and steady value of property essentially depend."

The committee, duly impressed with the wisdom of that sentiment, feel it incumbent on them to examine, with care and deliberation, the reasons adduced in support of such an important alteration in a regulation of great public interest.

It is alleged in the report of the committee of the Senate—

1st. That "this proportion (1 to 15) was too low a valuation of gold in the year 1792, and much too low a valuation of gold in relation to silver, at this time."

2d. That, "during the last three hundred years, gold has, with some temporary exceptions, been gradually advancing in value. During the last twenty years, the enhancement of gold, in respect to silver, has been quite as great as it had ever before been during any equal period; and gold still continues to rise."

3d. That "the general course of our exchanges with Europe is against us; and when remittances cannot be advantageously made by bills, gold is sent to Europe, and especially to Great Britain, so long as gold is not evident-

ly too dear in this country, in comparison with silver. But, in order that both gold and silver should circulate as money, it is necessary that demands for exportation should fall upon both metals, that when a demand for exportation occurs, it should, in general, be as profitable to export one of them as the other; and the relative valuation which will ensure this object is that which exists when both metals are, or may be, exported with equal profit."

4th. That "much more of the two metals is now coined upon the basis that gold is in value to silver as 16 to 1, than according to any other proportion. If it is expedient to conform our ratio to the existing proportion of any other country, it must be expedient to adopt that proportion which prevails most widely, and the ratio of 16 to 1 is now far the most extensive example. A rule so extensive is entitled to respect; but the practical operation of the rule is much more instructive, since it shows that this relative valuation of the two metals secures their concurrent circulation in coins in a very large part of the world."

5th. That "our public coinage of gold is now wholly without any public benefit. If we will not rectify the legal proportion between the coins of the two metals, we ought to abolish the coinage of gold, save a useless expense, and leave gold to be treated like other metals not coined as money."

The recommendations suggested, and the advantages anticipated, are—

1st. That our "system of money established in the year 1792, fully adopts the principle, that it is expedient to coin and use both metals as money; and such has always been the opinion of the people of the United States."

2d. That "each of the two metals is peculiarly convenient for purposes to which the other is not well adapted. Silver is divisible into pieces of small weight and small value, and is convenient for payments of moderate amount, but is very inconvenient when large sums are paid or transported. And these different advantages cannot be enjoyed without the use of both metals."

3d. "Where the circulating coins are both gold and silver, paper money is less used than it is where all the coins are of silver; and the currency of gold coins in our country will tend to repress this constant tendency to excess of paper money. Our money now in use is bank notes and silver. Bank notes are pressed into every channel of circulation; though no man is legally bound to receive them, they are generally received. So great is the amount of bank notes in circulation, so widely are those notes diffused through our extensive country, and so much is silver banished from circulation, that the option to demand silver is not within the reach of the great body of the people."

"The creditor, and especially the poor man, who can neither wait for payment, nor go to a bank to demand silver, accepts the bank notes which are offered to him, not because he prefers them to silver, but, in a multitude of cases, because he is, in effect, constrained to accept them or nothing. One of many causes which swell this torrent, and impose upon the people a species of necessity to use paper money, is the want of gold coins. The end of coining the two metals is, that they may circulate together; that every person who has coins of either silver or gold may easily exchange them for coins of the other metal, and that the people may enjoy the advantage of using either species of coins, according to convenience or pleasure."

4th. "Bank notes are frequently received in preference to silver, when gold coins would be more convenient or desirable than bank notes. In such

cases, gold would be used if it could be procured, and it should be attainable. To refuse to coin gold for the sake of paper money, or because paper money occupies a place which gold would fill, would be a mischievous error. A bad state of the coins is a great evil; but when such a state of the coins is continued for the purpose of promoting the use of paper money, the end is pernicious, and the means are an abuse of power. Our banks have the right to pay their notes in silver, and they ought not also to enjoy the advantage of an entire banishment of gold coins from the United States. There will surely be sufficient scope for the circulation of bank notes, when the coins which they do not expel from use shall consist partly of both metals; and if it is the interest of the banks that we should have no gold coins, the public interest of the country is, that we should have coins of gold as well as coins of silver."

The regulation proposed will produce, if adopted, a very important alteration in the existing standard of value; and as it has apparently originated from the views now detailed, which comprise a full consideration of the monetary system of the United States, the committee feel reluctantly compelled to undertake the investigation of an important, difficult, and intricate subject, upon which the most acute and enlightened intellects have disagreed.

This examination will necessarily involve the consideration of general principles; the standard of value; the practice of commercial nations, and a particular reference to the currency of the United States; which various and perplexing questions, the committee will endeavor to discuss with all practicable brevity.

Gold and silver are the money of commerce—the merchandise for which all other commodities are freely exchanged by the general consent of mankind. They are the measure of value, and are universally received as the intrinsic equivalent in all exchanges. These precious metals were adopted, and are maintained, as the curreney or money of the world, from their being less variable than other metals, and homogeneous in respect to durability and divisibility.

They are, however, exposed to two important variations.

1st. In reference to other commodities; if the mines become more or less productive; or from any cause that will alter the relative proportions which the gold and silver, used as money, bear to that of the aggregate amount, or real value of exchangeable commodities, money price being regulated by these respective proportions; and

2d. The value of gold in respect to silver is very fluctuating.

Their relative values may vary with the amount of supply furnished by the mines respectively. It will change with the variations in the relative amount of labor expended on the production of these metals. If the quantity produced be appropriated to manufacturing purposes, and as currency, in different relative proportions, at different periods, an alteration in value will ensue; a great diminution or an extensive increase of demand for either of the precious metals, arising from a change in the usual course of trade, or from an alteration in the circulating medium of a wealthy nation, will produce an important change in their relative value, whether silver be affected, as instanced in the Asiatic trade; or gold, as we have sensibly experienced in our intercourse with England.

Silver, in reference to silver, is unchangeable, and equivalent to the like quantity of fine metal, in all times, and in all countries. It is, besides, universally current; and it is the instrument principally used as the money of commerce.

Gold possesses the same peculiar properties, although it is not so extensively used in effecting exchanges. Either of them are received freely as the money of the world; and each, in a state of purity, preserves its identity and immutability.

Gold and silver, used as a common standard, are, in the nature of things, subject to various and frequent fluctuations; while the regulation of the standard of value, in either metal, is liable to variation only in reference to commodities.

Governments and political economists all agree in opinion as to the necessity or utility of an uniform measure. They, nevertheless, differ as to the expediency of regulating the standard of value in one or in both metals, although the nearer approach to invariableness, in the selection of one metal, is obvious and incontrovertible.

The bill under consideration contemplates such a regulation of the standard as will not only obviate prejudicial variations, but secure such "concurrent circulation in coins" of both metals, "that every person, who has coins of either silver or gold, may easily exchange them for coins of the other metal, and that the people may enjoy the advantage of using either species of coins, according to convenience or pleasure."

The committee would have the greatest pleasure in aiding, with their most zealous efforts, in the establishment of any regulations calculated to contribute to the convenience or gratification of the community; entertaining, however, serious doubts of the practicability of securing the desirable objects contemplated through the medium of legislative enactments, they think it expedient, as an evidence of their sincere desire to effect a satisfactory and impartial investigation, to note, briefly, the sentiments of some of the most distinguished and eminent writers.

General Hamilton, who was the founder of our present system, distinctly recognized the correctness of the position, that the single standard is the least variable measure, and he was inclined to select gold.

He states, that the "inducement to such a preference (one metal) is to render the unit as little variable as possible, because on this depends the steady value of all contracts, and, in a certain sense, of all other property; and it is truly observed, that if the unit belong indiscriminately to both the metals, it is subject to all the fluctuations that happen in the relative value which they bear to each other; but the same reason would lead to annexing it to that particular one which is itself the least liable to variation, if there be, in this respect, any discernible difference between the two."

"Gold may, perhaps, in certain senses, be said to have greater stability than silver, as being of superior value. Less liberties have been taken with it in the regulations of other countries." He was finally of opinion that, "upon the whole, it seems to be most advisable, as has been observed, not to attach the unit exclusively to either of the metals, because this cannot be done effectively without destroying the office and character of one of them as money, and reducing it to the situation of a mere merchandise, which, accordingly, at different times has been proposed from different and very respectable quarters, but which would probably be a greater evil than occasional variations in the unit, from the fluctuations in the relative value of the metals, especially if care be taken to regulate the proportions between them with an eye to the average commercial value. To annul the use of either of the metals is to abridge the quantity of circulating medium, and

is liable to all the objections which arise from the comparison of the benefits of a full, with the evils of a scanty circulation."

Sir William Petty, in his posthumous work, published in 1691, is stated to be the first who suggested "that the coin which was to be the principal measure of property ought to be made of one metal only. Money is understood to be the uniform measure and rule for the value of all commodities; that one of the two precious metals is only a fit matter for money; and, as matters now stand, silver is the matter of money."

That profound philosopher, Mr. Locke, thus expresses himself: "I have spoken of silver coin alone, because that makes the money of account and measure of trade all through the world; for all contracts are, I think, every where made, and accounts kept, in silver. I am sure they are so in England and in the neighboring countries. Silver, therefore, and silver alone, is the measure of commerce. Two metals, gold and silver, cannot be the measure of commerce both together in any country, because the measure of commerce must be perpetually the same, invariable, and keeping the same proportion of value in all its parts. But so only one metal does, or can do, to itself. So silver is to silver, and gold to gold; but gold and silver change their value one to another; for, supposing them to be in value as sixteen to one now, perhaps the next month they may be as fifteen and three-fourths, or fifteen and seven-eighths to one; and one may as well make a measure to be used as a yard, whose parts lengthen and shorten, as a measure of trade of materials that have not always a settled invariable measure to one another. One metal, therefore, alone can be the money of account and contract in any country. The fittest for this use, of all others, is silver. Gold, though not the money of the world, and the measure of commerce, nor fit to be so, may, and ought to be coined, to ascertain its fineness and weight, and such coin may safely have a price as well as a stamp set upon it by public authority, so the value set be under the market price."

Lord Liverpool, who was Master of the Mint in England, and whose system of money is now in practical operation in that country, thus remarks: "Experience has proved, that, when coins of two metals are made legal tenders at given rates, those who have any payments to make will prefer to discharge the debt or obligation, by paying in that coin which is overrated; and in this manner gold, being overrated, became the practical currency of England. In the reign of King William, by proclamation, gold guineas, worth but 20*s.* 8*d.*, were made current at 21*s.*, which being 4*d.* more or $1\frac{1}{3}\frac{9}{1}$ per centum too high, made gold the principal measure or tender in payments." He was of opinion "that the money or coins of any country, which are to be the measure of property, can be made of one metal only;" and that gold was the fittest metal for a rich country like England. He proposed that "the new silver coins shall not be a legal tender for any sum exceeding the nominal value of the largest piece of gold coin in currency. This is the highest state of perfection to which any system of coinage can, in my opinion, be brought." He considered it necessary to exact a heavy seigniorage on silver coin, to secure its permanency in circulation; and maintained, that such an overvaluation would not prejudice prices. "When the silver coins were the principal measure of property, and were greatly defective, the price of all commodities rose in proportion; but since the gold coins are become the principal measure of property, though our silver coins are on an average as defective as they were before, (about $\frac{1}{3}$,) the price of

commodities, even when purchased with silver coins, has not risen on account of the defect of these silver coins. The present defective silver coins continue to be paid and received at their nominal value, and according to the rate at which they can be exchanged for our gold coins; sometimes, when they are wanted for particular purposes, they are exchanged even at a premium above their nominal value."

He thought that prices of commodities were "influenced by a defect in that sort of coin only which is the principal measure of property, and in which our balances to foreign countries are regulated and paid."

Mr. Ricardo, who attained well-merited celebrity, in adverting to the English currency, observes: "It appears then, that, whilst each of the two metals was equally a legal tender for debts of any amount, we were subject to a constant change in the principal standard measure of value. It would sometimes be gold, sometimes silver, depending entirely on the variations in the relative value of the two metals; and, at such times, the metal which was not the standard would be melted and withdrawn from circulation, as its value would be greater in bullion than in coin. This was an inconvenience which it was highly desirable should be remedied; but so slow is the progress of improvement, that, although it had been unanswerably demonstrated by Mr. Locke, and had been noticed by all writers on the subject of money since his day, a better system was never adopted till the last session of Parliament, when it was enacted that gold only should be a legal tender for any sum exceeding 42*s*."

A highly respectable authority, Mr. Gallatin, in his able letter to the Secretary of the Treasury, maintains the superiority of the double standard, and the practicability of keeping both metals in circulation. He instances France as the country "which affords the best and most easy means to ascertain the fact, as it is far the most wealthy country in which both gold and silver coins circulate simultaneously. During the thirteen last years, there has never been a premium on silver coins, and there has almost always been one on gold coin; but it is very rarely, and only for very short periods, that this premium on gold coins has ever fallen below one-fifth or exceeded four-fifths per cent., and the average is about one-half rather below than above it. The relative value of gold to silver bullion is, therefore, fixed at the rate of 3,091. 197, nearly equal to 15.69 to 1. Each metal is brought to the Mint in greater or less quantities respectively, according to the fluctuations in their relative market value. But what proves that this ratio does not essentially differ from the true average market relative value, is, that the Mint has been abundantly supplied with both for the last twenty-five years, the coinage of France being far greater than that of any other country.

"The present rate (of our gold standard) was the result of information, clearly incorrect, respecting the then relative value of gold and silver in Europe, which was represented as being at the rate of less than 15 to 1, when it was, in fact, 15.5 to 15.6 to 1. If gold coins are raised by law to their true value, they will not be exported so long as the exchange on London is not above 1½ per centum above the true par, or about 8½ per cent. nominal, as now calculated. Whenever the exchange is above that rate, there is no means to prevent the exportation; and, as the general tendency of our exchanges with Europe is against us, this affords a reason why, in fixing the relative value of the two metals, gold may be a little overrated beyond the ratio deduced from the average premium on French gold coins in France. But this should be done cautiously, as there is always danger

in going beyond what the well ascertained facts will warrant." Adverting to Spanish American coins, he observes, in respect to the various rates of premium on doubloons: "This affords no criterion whatever of the relative value of the two metals, as it is exclusively due to the varying demand for the Havana and South America markets, where, by internal regulations, the doubloon is rated never less than $16, and generally at $17. This arbitrary order drives, of course, silver from the market, and, without raising, actually, gold to that rate, has, nevertheless, a considerable effect on the price of that particular coin. As there is not in nature any permanent standard of value, it has been objected to the simultaneous circulation of the two metals as a legal tender, that, in addition to the fluctuations in the price of either gold or silver, if only one of the two was made the sole circulating medium, the fluctuations in their relative value increase the uncertainty of the standard. Great Britatn, till the year 1797, when the suspension of cash payments took place, and all other nations to this day have used the two metals simultaneously, without any practical injury, and to the great advantage of the community, though, in many instances, sufficient care had not been taken to assimilate the legal to the average market value of the two metals —a fact so notorious, so universal, and so constant, is sufficient to prove that the objection, though the abstract reasoning on which it is founded is correct, can have no weight in practice."

In respect to the opinion that the English demand for gold, upon the resumption of specie payments, had suddenly influenced its relative value, it is elsewhere stated, that "any extraordinary demand from a particular country is met without difficulty, or sensibly affecting the price of the metal required." This decisive fact, (the premium in France on gold, not having exceeded $\frac{1}{4}$ to $\frac{1}{2}$ per cent.,) "also shows, that it is erroneously that the exportation of American gold coins, which commenced in the year 1821, has been ascribed to that extraordinary demand. That exportation has been continued uninterruptedly after that cause had ceased to operate, and, as will be seen hereafter, is due to the alteration from that epoch in the rate of exchanges."

Mr. Tooke, an eminent writer, is inclined to doubt the correctness of the opinion, that the British demand increased the relative value of gold; and he remarks, "these circumstances, collectively," (diminution in the export of silver to Asia, and the emancipation of Spanish America,) "are likely to have increased the supply of silver, and give reason to expect that the fall in the price of silver arose from a relative increase of its quantity and consequent diminution of its value, rather than from a diminished quantity and increased value of gold." He admits, however, that "all information hitherto accessible relating to the proportion of the supply and demand of the precious metals, is vague, and insufficient to build any practical conclusion upon; and the only object of the arguments brought forward is to afford grounds for calling in question the opposite presumption, which, in my opinion, has been much too generally and hastily admitted."

Mr. Tooke thinks, that England probably possessed twenty millions of pounds sterling of gold before 1797; the greater part of which, he calculates would be forthcoming from the hiding places of the hoarders, or from the continent of Europe; "none (gold) being absolutely necessary (on the continent) as the standard or basis of their circulation, which is silver."

Mr. Baring, an eminent banker, and accustomed to pecuniary transactions of the most extensive and various nature, is an advocate of the double standard, in consideration of the peculiar circumstances of England. He

asserts, that "if gold and silver were concurrent legal tenders at the old mint regulation, (1 to 15 .2,) silver would at present be the practical standard, as the debtor always acquits himself in the cheapest metal he is enabled to do so by law. Gold was his cheapest payment previous to 1797, and, therefore, the practical standard of the country at that time; in consequence of subsequent variations in the price between gold and silver, silver would be so now. The practical currency may change from one metal to another in a short space of time; the fact of gold having been the practical tender in this country under the former system, and that silver would be so if that system continued, is a practical proof of it.

"It will vary with the variations in the relative value of the metals, however wisely you may adjust the difference. The variation in France is seldom above a tenth per cent. it sometimes runs up to a quarter per cent.: it has been, I am told, something higher on particular occasions. A very slight difference of $\frac{1}{10}$th or $\frac{1}{4}$th per cent. would determine the use of one metal or another.

"There is no doubt that when this country (England) returned to payments in specie, supposing we wanted from fifteen to twenty millions of pounds, of gold for instance, and that to that extent there was a demand on the rest of the world for gold, gold got an increased value from that circumstance.

"This country partially rejecting gold as its tender, the effect would be to reduce, to some extent, the value of gold over the rest, of the world."

One of his leading motives in recommending the incorporation of silver in the standard, appears to have been an impression, that it was "evident that the Bank, (of England,) wishing to reinforce its supply of specie, can do so with infinitely increased facility, with the power of either drawing in gold or silver, than if it were confined to only one of the metals. The choice is already much; but the circumstance that silver is the practical standard of Europe more than doubles the certainty and facility of procuring a supply."

The substance of Mr. Baring's evidence before the committee of the British Parlament, being subsequently submitted to the consideration of the Bank of England in four queries, the Governor and Directors of the bank, in part, thus reply.

"1st. Provided there be sufficient currency in the country for the small payments, there does not appear to the bank to be any advantage in the proposed addition of silver as a general legal tender, from the great difficulty of retaining gold as the bulk of the currency under such an arrangement.

"2d. It does not appear that it would afford to the bank any security against combinations to their prejudice, nor would it enable the bank more readily to rectify the foreign exchanges, nor to provide with less difficulty for periods of panic. Neither does it appear to the bank that it would facilitate their procuring, when necessary, supplies of gold from abroad.

"3d. The bank can see no advantage in reverting to the former system of making silver by weight a legal tender to any amount, and they are farther of opinion that a varying scale of value in any metal cannot be otherwise than prejudicial in its effects upon all contracts."

The Secretary of the Treasury, in his masterly and elaborate report to the Senate during the last session, "respecting the relative value of gold and silver, &c." remarks, in reference to the double standard, "that, however exactly the proper equilibrium of values of gold and silver may be ad-

justed at the Mint, the balance is likely to be disturbed by causes which can neither be anticipated or controlled by political power." And, in the course of his able disquisition, he arrives at the apparently sound and rational conclusion, that the regulation of the measure of value in both metals is inherently defective, and requires to be remedied, and that "this remedy is to be found in the establishment of one standard measure of property only. The proposition that there can be but one standard, in fact, is self-evident. The option of Governments charged with this duty, is, therefore, between having property measured sometimes by gold, sometimes by silver, and selecting that metal which is best adapted to the purpose for the only standard. Silver ought to be the standard measure of property in the United States, and maintained by mint regulations as the chief material for metallic currency."

Such discordancy of opinion amongst writers, distinguished for profound and philosophical views, and practical knowledge of the subject under consideration, is perplexing and embarrassing.

The committee have endeavored to form a just and impartial estimate of the various principles respectively sustained; and they will now proceed to make some appropriate observations upon them, as general truths, and, also, in reference to the fitness of their application to the existing and peculiar circumstances of the United States.

Gold or silver is the money of commerce, and the measure of value. It is freely received every where as the equivalent in exchange for all other articles. It is, by general consent, the respresentative of value, the pledge cheerfully taken in fulfilment of bargains, because the receiver knows that he can with it purchase such things as he desires. It is the instrument by which transfers can be most conveniently effected, but it is not the article really wanted.

Commodities are the things actually exchanged and required—provisions, clothing, materials for manufacture, or for other use. Money facilitates exchanges, but its value is in circulation. Commodities are valuable in exchange, and valuable, also, as useful or consumable necessaries. The real value of these depends upon the quantity of labor expended upon their production, but not in any degree upon money price, or the quantity of gold or silver required to measure their nominal value, or to effect their exchange. This price or quantity is regulated by the productiveness of the mines, and by the relation which the portion of that product, pending in currency, bears to the aggregate amount of exchangeable merchandise.

Since the discovery of America, the increase of the precious metals has greatly exceeded the relative increase of commodities; gold and silver are estimated to have multiplied in a fourfold ratio.

Money has become so abundant that prices have risen greatly; the labor which was formerly exchanged for one dollar, will now purchase four silver dollars.

This change would seem to indicate a vast increase in the value of labor, and consequently of individual wealth, in the view of those who consider a great deal of money and riches as synonymous; yet it is not perceived in what respect this great increase of gold and silver has influenced the real value of useful commodities. It has sensibly altered the money price of every thing, and thereby diminished its convenience, as the instrument and measure of commerce, by rendering it more cumbrous, requiring four times the quantity or weight of gold or of silver to measure the same value, and multiplying

in the like ratio the number of coins, and the labor of counting them, without adding, in any manner, to their utility as money, or to their value as property. If one-half of the entire amount of gold and silver now in use was immediately to disappear, or as suddenly to be doubled in its quantity, the consequence would be grievous to debtors, or to creditors; but it is very evident that the real wealth of society would experience no change from either event. The productive power of industry would be neither increased or diminished; nor would any alteration take place in the utility of its products.

Industry produces commodities, and frugality accumulates capital; but its real value does not depend upon its money value.

Where exchangeable merchandise abounds, gold and silver will be comparatively abundant. Hence, countries, rich in productions, will always have more money circulating than nations which produce fewer commodities. The possession of a large amount of money is the effect, but not the cause of wealth; yet a greater abundance of gold or silver, in rich States, being very visible, it has erroneously been viewed as the cause producing greater wealth; and various projects have been frequently suggested, or adopted, to bring into particular countries more than the natural supply of money, or to manufacture it from other materials than gold or silver. Distinguished statesmen have occasionally countenanced these suggestions, and the value which has been attached to a large supply of the precious metals has been evinced; by inflicting severe penalties upon the exporters of gold or silver; in exhibiting indignation against, or questioning the patriotism of such traders as ship away money where its exportation was permitted; by a great solicitude to encourage intercourse with those countries which possess or distribute the produce of the mines; and in denying or questioning the advantage of trading with any nation which required gold or silver in exchange for its merchandise. It has been exhibited in an anxious desire to have the standard of value regulated in both metals, lest the utility of either might be diminished on becoming a commodity; or under the apprehension that the rejection of either gold or silver as a legal tender would contract the field of supply, or "inflict the evils of a scanty circulation."

The committee are of opinion, that wealth consists in an abundance of necessaries, conveniencies, and luxuries, that lands, minerals, labor-saving machines, useful commodities, &c. &c. are the constituent parts of national wealth; and that its amount depends upon the skill and industry of its inhabitants.

Industrious and skilful nations will possess a large share of the gold and silver used as money in commerce; but that arises from the superior value of their exchangeable produce.

The value of money is in an inverse ratio with its quantity, relatively dear or cheap, according to the proportion which the entire amount of gold and silver in circulation bears to the aggregate value of exchangeable commodities. The interest of every nation requires its just proportion of the money of the world; and if commerce was free and unrestrained, its operations would assuredly effect an equitable distribution.

The course is natural and obvious. Redundance raises prices, imports increase, or exports diminish; either consequence creates an adverse exchange; and the superfluous supply of money goes off to other nations to liquidate balances. On the other hand, scarcity of money lowers prices, increases exports, or brings in money to buy cheap goods. In the nature of

things, redundancy or scarcity must be tempory, as mercantile sagacity is ever active and vigilant to profit by the smallest variations in value; and whilst pursuing gain, it prevents money from undulating greatly, or disadvantageously to the steady occupation of producers.

The correctness of the principle, that money will find its level in the great sea of commerce, unless obstructed by artificial mounds erected by legislative or local regulations, was forcibly illustrated in the case of France in 1794-'5.

Statesmen of transcendent talents, Mr. Pitt and Mr. Burke, confidently anticipated a complete overthrow of the power of France from the want of money to carry on warlike operations—the inevitable consequence, as they supposed, of the destruction of the assignat currency. Yet, what is the historical fact? The assignat bubble burst, inflicting, without doubt, a serious amount of individual distress, but the productive power of France being uninjured, and the products of its industry being real wealth, and valuable commodities in exchange, gold and silver, which is the instrument of exchange, rushed into France in a powerful stream, filling speedily every channel of circulation with its proper, useful, and relative proportion of coin.

Instead of France, with her great wealth, being prostrated and in poverty, as was predicted by these great men, she quickly possessed more gold and silver than any nation in Europe—a result in strict accordance with well established principles in the monetary system.

France possessed a large supply, comparatively, of money, because she was in fact the richest nation in Europe, excepting England, who had forcibly driven gold and silver out of circulation, by substituting bank notes. Considering that these incontrovertible principles, in regard to gold or silver money, have been practically verified in the powerful and instructive example of France, it is truly surprising that, in subsequent times, complaints should be made of the want of metallic coin, or of a particular kind of the precious metals.

It cannot be the interest of any country, if it were practicable, to possess a greater amount of the precious metals (which are costly merchandise) than its just proportion, because the value of gold or silver, as money, consists altogether in its utility, as an instrument for effecting exchanges, or for measuring the value of commodities. Its value being relative and only in exchange, it does not appear to be an important consideration to any country, whether the instrument which it thus uses as a labor-saving machine in barter, be composed of gold, or of silver, or of both metals.

T e committee are induced to believe that every nation will possess its equitable and useful portion of the gold and silver used as money, provided they do not repulse it from domestic circulation, by substituting a different medium of exchange. One metal may be selected, with a certain assurance of uniformly possessing, *in the metal chosen*, such proportion of the entire amount of the money of commerce, as their exchangeable commodities bear to the total amount of merchandise produced.

If both metals are preferred, the like relative proportion of the aggregate amount of metallic currency will be possessed, subject to frequent changes from gold to silver, and vice versa, according to the variations in the relative value of these metals.

The currency of the commercial world consisting of gold as well as silver, it is apparently correct and rational to conclude that the indiscriminate use of both metals must be convenient and advantageous to every community.

There is, however, a material distinction between the money of commerce and the money of a particular State, which merits notice. Gold and silver circulate in general commerce as money; but whether they are tendered in new or defaced coins, of the standard of one mint, or a mixture of all mints, or in metal of every variety of form and purity, they are all viewed as bullion, and valued in foreign markets according to the quantity or weight of fine metal.

Whether a nation uses exclusively one metal for its internal trade, or establishes a legal value in both gold and silver, it has been ascertained by experience that one metal only will be the practical standard. Traders will usually find it their interest to carry to each country that description of metal which is the current or exclusive legal tender, because the former is always an overvalued metal, and the latter is of nearly invariable value. The operations of trade being incessant and universal, the value of gold or silver is tested by the estimate of each nation; and an average relative value is thus ascertained and established, with such an approach to accuracy as enables merchants and money dealers, engaged in foreign trade, to effect exchanges freely and securely for the money of commerce, whether tendered in gold or in silver.

But the money of a particular State is the medium of exchange, and measure of value and of contracts, not only for traders and money dealers, but for every member of the community. Public convenience, therefore, requires that it should be coined. Nations generally establish a measure of value, founded upon an ideal unit, or money of account and contract.

Coins, regulated in conformity to this standard, usually compose the metallic currency; and they are generally the only legal tender in payments.

Where gold or silver constitutes the national currency, such a regulation is a matter of great public interest. The stamp set upon the metal is the seal of the State, certifying as to the fineness and weight of the coin, which secures implicit confidence as to its intrinsic value; and the money unit, or its integral parts, or multiples, being exhibited in every coin, facilitates enumeration, exchanges, and payments, and contributes essentially to the convenience and advantage of the public.

The money of a State thus differing in some essential particulars from the money of commerce, the inquiry may be made with consistency and propriety, whether it is most judicious or expedient to regulate the standard in gold, or in silver, or in both metals?

Several of the eminent authorities quoted, including some of those who are practically acquainted with money transactions, strenuously maintain the superior advantages of the double standard, contending,

1st. That, in rejecting either gold or silver, the risk is incurred, "that if the rise is only on one of the metals for which there happens to be a greater demand, and that should be the sole legal tender, it will be exported, and diminish in a most inconvenient way, the whole amount of specie—a diminution which, in that case, cannot be remedied by resorting to the other metal which is not a legal tender;" and it is thought to limit "the facility of procuring a supply of gold and silver," and that it causes "the evils of a scanty circulation."

2d. That the rejection of either metal has the effect of "destroying the office and character of one of them as money, and reducing it to the situation of a mere merchandise."

3d. Although it is conceived to be not possible "that any degree of skill

or ingenuity in adjusting the proportions of gold and silver, can be such as to prevent the one or the other from having a preference, and becoming practically, in the course of a short period of years, the currency of the country, almost to the exclusion of the other, except for purposes of convenience," it is, nevertheless, alleged that the hazards from alterations in the measure of contracts, by "those fluctuations in the relative value of the two species of coin, are a quantity which may be neglected;" and it is maintained that "the necessity of occasional adjustment is a small inconvenience when compared with the great inconvenience of using only one of the metals."

The committee having already expressed their conviction, that the operations of commerce, if unimpeded by local and artificial obstacles, will certainly secure to every country its useful and equitable proportion of the money of the world, they feel compelled, reluctantly, to withhold their assent to the opinions preferred in support of the double standard. They cannot admit, that, by rejecting one of the metals, any of the injurious consequences predicted would ensue.

England may be instanced as a practical and forcible exemplification. She has, by law, recently (and for more than one hundred years previously, in practice,) rejected silver as a tender in large payments, and adopted gold, (the most costly and scarce, and least used as money of the two metals) as the measure and instrument for effecting exchanges. A subsequent act, restraining the issue of bank notes under £5 sterling, opened an extensive field for circulation, which was immediately filled with gold; and her experience since, notwithstanding the wild and inconsiderate speculations of 1825, may, with that of preceding times, in regard to pecuniary resources, be compared with the means of any other nation, to test the accuracy of these disadvantageous allegations against the single standard.

The free city of Bremen, an example on a very different scale of operations, uses gold exclusively, without any known inconvenience.

Hamburgh, a neighboring city of great business and wealth, has, for centuries, confined commercial payments to silver.

For ten years past we have, in practice, repudiated gold; and it is believed that money has not been more abundant for the same length of time, in our commercial history. Our recent practice has, in reality, reduced gold "to the situation of a mere merchandise," but certainly without injuring its utility as money; for it is picked up with avidity, even in small sums, and exchanged with the greatest readiness for bank notes, redeemable on demand with silver, or effective in instant payments Its value of course, varies according to our pecuniary relations with England, the great market of the world for gold.

If an extensive demand was now to arise for gold, which is "the sole legal tender" in England and Bremen, its export would take place, until scarcity of money was sensibly felt. Commodities would then decline in price, or there would be a diminution of imports, until money found its just and natural level, differing, in no perceivable respect, from the effects produced by an adverse balance of payments, upon other States using silver, or which have an established legal tender in both metals. For example, in 1827–'8, we became largely indebted to England and France. Our silver was exported to a great amount, as well as all the gold that could be procured. The banks curtailed their discounts; money became very scarce: we imported comparatively less; the balance was soon liquidated; and we worked through

that adverse period with as little difficulty, suffering, or distress, and recovered from its ill effects, as speedily as on any of the many previous occasions that we have encountered the ebbs in commerce; although the increased value of gold had, in effect, rejected it from circulation, and deprived us of the power, alleged to be remediate, of "resorting to the other metal, which is not a legal tender."

Our own experience, and that of other nations, thus appearing to confirm in practice the accuracy of the principles previously deduced, the committee cannot resist the conviction that the regulation of a national standard in gold or in silver, or in both metals, will not, in any respect, influence the pecuniary resources of a State, or contribute any relief whatever in periods of exigency. Unfavorable balances with foreign countries must be discharged with gold or silver, or commodities. Debtor nations, not possessing mines of the precious metals, must regulate their imports according to the exchangeable value of their surplus produce. They have no other means of purchasing money, or other foreign merchandise. The ill effects of bad seasons, and other unusual and adverse events, which occasion temporary pressure, are soon rectified by industry and frugality.

The great and inherent defect in the double standard, that has produced the evil of which we now complain, (the disappearance of gold,) and which has invited the remedy of a new adjustment of its relative value, is deserving of particular and grave consideration.

It has been already remarked, that the capacious mind which delineated the system of money adopted by Congress, expressed a strong desire "to render the unit as little variable as possible, because on this depends the steady value of all contracts, and, in a certain sense, of all other property." He was well aware "that if the unit belong indiscriminately to both metals, it is subject to all the fluctuations that happen in the relative value which they bear to each other."

He appears to have been strongly inclined to select gold as the only measure of value; and the difficulty which he experienced in arriving at the final conclusion to recommend both metals, is clearly evidenced by the undecided terms in which it is announced: "But, upon the whole, it seems to be most advisable," &c. The obvious advantages of the single standard having yielded to the preponderant influence of an apprehension that the rejected metal would be injured, as money, by "reducing it to the situation of a mere merchandise;" and that, "to annul the use of either of the metals as money, is to abridge the quantity of circulating medium, and is liable to all the objections which arise from a comparison of the benefits of a full, with the evils of a scanty, circulation"—evils which were sensibly experienced at that time; but subsequent experience has furnished strong reasons to doubt if the cause of those evils was accurately conjectured. The committee are, upon the whole, induced to believe that the views which they have now expressed do not differ essentially from an authority so deservedly entitled to their respect.

There does not appear to be any diversity of opinion as to one radical defect in the double standard—the unavoidable necessity of occasional adjustments, or, in other words, of alterations in the measure of value and of contracts. The effect of these changes are variously estimated. A large majority of the writers quoted maintain that the overrated metal will always be "the practical currency, (which) may change from one metal to the other in a short period of time. Gold was his cheapest payment, and, there-

fore, the practical standard of the country (England) at that time. In consequence of subsequent variations in the price between gold and silver, silver would be so now, as the debtor always acquits himself in the cheapest metal he is enabled to do so by law."

"Whilst each of the two metals was equally a legal tender for debts of any amount, we were subject to a constant change in the principal measure of value."

"Experience has proved, that when coins of the two metals are made a legal tender at given rates, those who have any payments to make will prefer to discharge the debt or obligation, by paying in that coin which is overrated."

The Secretary of the Treasury justly remarks, that "if the ratio is so adjusted as to maintain both metals for the time being, in equilibrium, subsequent fluctuations may expel that which is most necessary to the currency."

These opinions, which in times past were theories for our meditation, are now realized in practice. To use the language of a highly distinguished and learned senator, Mr. Webster, "the English standard of value is gold; with us, that office is performed by gold, and by silver also, at a fixed relation to each other; but our estimate of silver is rather higher, in proportion to gold, than most nations give it; it is higher especially than in England at the present moment."

"The consequence is, that silver, which remains a legal currency with us, stays here, while the gold has gone abroad, verifying the universal truth, that if *two currencies* be allowed to exist, of different values, that which is cheapest will fill up the whole circulation."

It is, however, on the other hand, alleged "that these fluctuations are a quantity which may be neglected;" "that Great Britain, till the year 1797, when the suspension of cash payments took place, and all other nations, to this day, have used the *two* metals simultaneously, without any practical injury, and to the great advantage of the community;" and it is also maintained, that "the practical operation of the rule (gold to silver, 1 to 16) is much more instructive, since it shows that this relative valuation of the two metals secures their concurrent circulation in coins in a very large part of the world."

The semblance of disagreement amongst these writers as to realities, induces the supposition, that the expressions, "all other nations to this day have used the two metals simultaneously," and "that this relative valuation of the two metals secures their concurrent circulation in coins," should likely be construed, in the restricted sense of a legal right, to tender them indiscriminately in payments.

The committee are not qualified by experience to pronounce with decision as to the usages, or the respective advantages of the money systems of other nations; but, upon a deliberate and candid consideration of the various statements submitted, and a careful examination of many valuable documents, particularly those furnished by the Secretary of the Treasury, they are inclined seriously to question the practicability of devising any regulation of the standard, which will accomplish the desirable object of the bill, so that "every person who has coins of either silver or gold may easily exchange them for coins of the other metal; and that the people may enjoy the advantage of using either species of coins, according to convenience or pleasure."

The committee cannot doubt that the following facts are satisfactorily established by the concurrent testimony of the respectable evidence adduced.

1st. That gold was the practical standard of England from 1717 till 1797, in consequence of its being the overrated or cheapest metal, though the proportions were only 1 for 15.2 of silver, and silver coins were a legal tender by tale until 1774, and by weight subsequently.

2d. "That silver is the practical standard (of the continent) of Europe," "none (gold) being absolutely necessary (on the continent) as the standard or basis of the circulation, which is silver," although several nations regulate the measure of value in both metals, and with such accuracy that the premium on gold "in France, is seldom above a tenth per cent., and sometimes runs up to a quarter per cent."

3d. That gold is the money of contract in "Havana and South America," because it is overrated, and "this arbitrary order drives of course silver from the market."

The simple fact that gold bears a premium in France and in the United States, and silver in Havana and in South America, appears to furnish incontrovertible evidence that the metal thus undervalued does not circulate concurrently or simultaneously with the overrated metal. If currency thus discriminated produces in its operations that description of concurrent circulation contemplated by the passage of this bill, the result does not conform to the proverbial acuteness of money dealers and traders. They are not in the habit of paying a premium, however minute, for what can be obtained freely without charge; and that which is "concomitant in agency," or acting together "in general circulation," must be supposed to be within the reach of every man. Judging by our own experience, in relation to this point, it is manifest that a premium on gold has banished it entirely from circulation; that the periodical demand for dollars in former times, for Asia, had, during its continuance, the like effect upon silver; and that in 1827 and 1828, a premium of one-half to one per cent. on Spanish dollars or those of the new American States, withheld them altogether from public use, although they constituted the great bulk of the specie fund of the United States.

The difference in value, indicated by small premiums, may not prejudice contracts of ordinary amount; but all experience testifies, that the customary currency of a State may be changed, to the great inconvenience of the uninformed portion of the community, by the slight inducement of a small fraction of a per cent. profit.

Sir Isaac Newton relates that louis d'ors of France, worth but 17*s.* 0¾*d.* sterling, became current in England at 17*s.* 6*d.*, and upon being forbidden, at his instance, to pass for more than 17*s.*, they were immediately brought into the Mint to the amount of £1,400,000 sterling; at another time moidores were current in the west of England at 28*s.*, which were intrinsically worth 27*s.* 7*d.*, and the country was full of them. Upon orders being issued, that the public receivers should take them at 27*s.* 6*d.* only, they disappeared immediately. A profit of 2½ per cent. brought in plenty of louis d'ors, and the loss of three-eighths per cent. drove them out of circulation; 1½ per cent. profit brought in the moidores, and three-tenths per cent. loss made them disappear entirely. "It was (then) evident (as we know now) that they who traffic in coins will trade for a very small profit."

Besides the inconvenience of frequent changes in an instrument so incessantly used as money, fluctuations will occasionally occur, such as we wish

at present to remedy, that have a detrimental influence on contracts; for instance, a sale made on credit, in 1820, to the amount of ten dollars, was, according to our legal standard, and in equity, an agreement, by implication, that the seller should receive in payment 3,712½ grains of silver, of the value of 247½ grains of gold. If this contract terminated in 1821, it would have been discharged with ten silver dollars, which could have been purchased with 238½ grains of gold; and if the bargain had not expired until 1822, the payment might have been effected with 230 grains of gold, being a reduction in the first case of three and five-eighths per cent., and, in the latter instance, of fully seven per cent. from the amount agreed upon by tacit stipulation; and, consequently, a departure from the spirit of the agreement, and a violation of contract, though sanctioned by the letter of the law. If the standard should be regulated on the basis proposed in this bill, 233½ grains of gold will be equivalent to ten silver dollars. Suppose that before the termination of a similar contract, an important demand for silver for Asia or elsewhere, should suddenly arise, or that the British Government should return, in compliance with powerful solicitations, to the standard of value in force previous to 1819, which measure Mr. Baring thinks would reduce the value of gold 3¾ per cent., will not the payer then discharge his debt in gold, and realize 3¾ per cent., or whatever may be the amount of profit resulting from the influence of unforeseen contingencies upon the relative value of these metals? Is it judicious, or consistent with a high and just regard for the equitable discharge of obligations, to expose pending contracts to the hazard of prejudicial vicissitudes, from causes beyond the national control?

Is there any thing in the ordinary course of events which justifies a legal regulation that, under every change, must operate to the prejudice of the seller?

Are not buyers and sellers, in the free exercise of private judgment, on a perfect footing of equality as to chances of benefit from a bargain, or as to claim for legislative protection? And if so, why should the law be framed on such a principle as to act uniformly in favor of the purchaser?

What are the compensative inducements to maintain regulations so obviously obnoxious to animadversion? The committee are obliged to acknowledge, after the most attentive and deliberate investigation, that, if correspondent advantages really appertain to this system, they must confess their inability to discover them.

It seems to be universally admitted that the regulation of the standard in one metal is the nearest practicable approach to invariableness, and that every attainable degree of uniformity is highly desirable If the only legal tender in payments were dollars, each containing 371¼ grains of fine silver, or 24¾ grains of fine gold, the measure would be in quantity as invariable as a foot of twelve inches; and once established as the national standard, no alteration or interference on the part of Congress would ever afterwards be required. Silver being to silver, and gold to gold, identical and invariable; either of them may and will change in its relative value to commodities, as has been already stated, in the event of a material variation in its cost at the mines, or from a great alteration in the aggregate amount of exchangeable merchandise; but such important changes are of rare occurrence, or of too slow and gradual growth to prejudice contracts during their usual term of pendency. Whatever might be the relative value of gold to silver, or however frequent their fluctuations, the standard measure in one metal

would be unaffected: 371¼ grains of silver would never cease to be equal to the like quantity of the same metal. National produce would be estimated and exchanged in conformity to this measure, and contracts would be discharged in accordance with the strict letter of the law, and the fair and equitable construction of the agreement.

The public would have the gratification of using the coin to which custom and convenience will have attached them. Foreign nations would not have an opportunity to withdraw one description of our currency, and to replace it with the other, to their profit; nor would it be ever necessary to entertain and discuss this very intricate and controverted subject, or to deliberate on the passage of a bill which contemplated an important and serious change in the money unit, upon the invariableness of which the "steady value of property essentially depends." The alteration in the quantity of gold, representing ten dollars, from 247½ grains to 233½ grains, is an actual reduction of six per cent. from the previously existing and long prevailing measure of contracts. Surely a change of such important character should not be made, unless deeply interesting to the public welfare; for, as General Hamilton has justly remarked, "the quantity of gold and silver in the national coins, corresponding with a given sum, cannot be made less than heretofore, without disturbing the balance of intrinsic value, and making every acre of land, as well as every bushel of wheat, of less actual worth than in time past."

As it may, however, be the pleasure of the Legislature to attempt an effectual adjustment of the relative value of gold, some inquiry into the causes producing this necessity may be appropriate.

Lord Liverpool, Mr. Baring, and Mr. Ricardo, state, that the practical currency of England, from 1717 till 1797, was gold, in consequence of its being the overvalued metal relatively, and the cheapest payment, although during that period, the established standard was but 15.2 of silver for one of gold.

The legal value of the guinea was fixed, in 1717, by the recommendation of Sir Isaac Newton, the master of the mint, at 21*s.* sterling each, which price he estimated to be 4*d.* or 1⅝ per cent. higher than its average value in commerce.

The quotation of prices of bullion in the London market, furnished by the Secretary of the Treasury since 1760, corroborates the opinion that gold was overrated in the mint regulations; the prices of gold and silver during ten years of profound peace, from 1783 until 1792, are upon an average in the relative proportions of 1 of gold for 14.76 of silver, indicating a premium of about 3 per cent. on silver; and it is worthy of notice, that, in the year 1785 alone, did the market price of gold conform to the legal standard.

It does not appear that there was any export of gold from the United States, of consequence, from 1792 till 1821—a period of such extraordinary commercial vicissitudes, that exchange must have occasionally been unfavorable. The relative legal value during that time was only 15 of silver for 1 of gold; and silver having been frequently at a premium of 1 to 3 per cent., gold could of course have been obtained without difficulty. Such respectable opinions and confirmatory circumstances, connected with the fact that England has long been the great market for gold, seem to authorize the inference that General Hamilton did not undervalue gold in 1792.

The coinage of France in 1785–'6, having been regulated at 1 of gold for 15½ of silver, exhibits a material difference in the estimate of value in

that country. It may, however, be observed, that some period of tranquillity, and of public confidence, as well as an adverse balance of payments with other nations, is necessary to test the accuracy of such regulations. Internal dissatisfaction, loss of public credit, revolutionary movements, failure in paper currency, domestic or foreign wars, influence materially the relative value of gold to silver, in consideration of the comparative portableness of gold, for concealment, or for facilitating military operations; one or other of these extrinsic causes, influenced in some degree the pecuniary regulations of France, from 1785–'6 till 1816. The fact that gold in France did not command a premium of more than one half per cent. "during the four years which immediately followed the resumption of specie payments in England," cannot, it is conceived, be considered "a conclusive proof, that it could not at most have enhanced the price of gold more than $\frac{3}{10}$ per cent., since, in that case, the advance would also have taken place in France, whence, in fact, a considerable portion of that demand was supplied." The proof is admitted to be conclusive as to the actual value of gold in France; but it must be recollected, that if the balance of payments between England and France was about equal, and there cannot be much preponderance where the currency is metallic, the charges of transportation must in such case be added, in order to ascertain the English value. Suppose that the proportions in French coin are equal to 1 for 15.7 of silver, if a premium of $\frac{3}{10}$ per cent., probable deficiency in the weight of circulating coin $\frac{1}{2}$ per cent. and insurance, freight, &c., $\frac{1}{2}$ per cent. be added, it would place gold in England at the high relative rate of 1 for 15.9 of silver equivalent to a premium of six per cent. upon our mint price. That the demand for gold was sensibly experienced in France at that period, may be inferred from a statement of the gold coined at the mints of France, according to Mr. Tooke; in 1818 the amount was 126 millions of francs; in 1819, 52 millions; in 1820, 28 millions; and in 1821, when the British demand was active, the coinage of gold in France nearly ceased, being only four hundred thousand francs in that year.

If the statement of the relative amounts of supply of the precious metals are entitled to any confidence, the increase in the production of gold since the commencement of revolutionary movements in Spanish America, in 1810, must have fully compensated the reduction in the demand for silver in Asia.

If the value of gold had risen from an increase of cost at the mines, which it is reasonable to conclude constitutes its real value, that increase of value would doubtless have been distinctly exhibited in England antecedent to 1797, and since, in general commerce, whether England had returned to specie payments or not. There were certainly no indications that gold was rated too low in our standard of 1 to 15 earlier than 1821, when the English demand commenced. The fact of concomitance in events is not relied upon as a proof of effective agency; but a great demand for gold, and an increased relative value for gold, being coeval circumstances, and in accordance with the universally admitted principle, that a new or sudden increase of demand will enhance prices, it appears to be a natural and rational inference, that the British demand for gold was the cause of increasing its value in respect to silver.

Mr. Baring thinks "there is no doubt that when this country (England) returned to payments in specie, supposing we wanted 15 to 20 millions of pounds of gold, for instance, and that to that extent there was a demand

on the rest of the world for gold, gold got an increased value from that circumstance."

Mr. Tooke admits that, at first, he coincided in this opinion, but subsequently, he was inclined to question this "presumption (which, in my opinion, has been much too generally and hastily admitted,") chiefly on the ground that the supply of silver has actually increased—a conclusion, which is not sanctioned by any authentic record within the knowledge of the committee, and at variance with the effects usually produced by revolutions and sanguinary civil wars, in any country, upon the amount of its staple commodity for exportation.

The annual product of gold for coinage and for manufactures is not estimated to exceed two millions of pounds sterling. Whether England required from foreign nations 20, 15, or even ten millions of pounds, the magnitude of either amount could scarcely fail to have an important influence on the relative value of the precious metals. If the aggregate quantity of gold and silver, used as money, was unchangeable, the suspension or resumption of specie payments, by any great nation, would influence the money prices exclusively, and but slightly or temporarily disturb the relative value of the metals; but when it is well known that the precious metals are purchased in vast quantities for other purposes than money, it seems reasonable to conclude that a sudden demand for gold, as money, equivalent to five, eight, or ten years of the entire produce of the gold mines of the world, must necessarily, in competition with the manufacturing demand, enhance its value in reference to silver. If it could be clearly demonstrated (which may be questioned) that the rise in gold, in 1821, has been fully maintained since, the committee are not prepared to admit that this circumstance would controvert their position, because the vacuum created by such an immense draught on other nations cannot be speedily filled. The bullion market of England has been more fluctuating than might be expected, if the rise was the result of increased cost in the production of gold.

The quotations adverted to furnish the following result:

1821 1822 1823	Average relative value 1 of gold, for - -	15.92
1824 1825 1826	Average relative value 1 of gold, for - -	15.65
1827 1828	Average relative value 1 of gold, for - -	15.75
1829	Average relative value 1 of gold, for - -	15.94
1830	Average relative value 1 of gold, for - -	15.78

But admitting the uncertainty of estimates or predictions as to the present or future amount of supply of the precious metals respectively, it may nevertheless not be irrelevant to remark, that, as the exploration of new mines of great promise speedily become matters of notoriety, and as universal experience has established the fact that mines long and deeply worked become less productive, it may be fairly concluded that the amount of silver annually furnished is not upon the increase; whilst, on the other hand, we have positive evidence of a rapid increase (as yet, to be sure, not comparatively on a great scale) in our own country, in the production of gold from mines represented to be of great territorial extent, and of encouraging and fruitful appearance.

After an attentive consideration of the circumstances connected with the rise of gold, the possible contingencies, and the prospects as to amount of supply, the committee are of opinion that its present relative valuation in commerce is not likely to be maintained; and they, therefore, cannot recommend the adoption of the value proposed, that of 1 for 15.9 of silver.

If they were well persuaded that the rise will be permanent, it would not change their sentiments in regard to the inexpediency of attaching a price to gold higher than its average rate in the commercial world. When coins circulated freely in the United States, silver composed the chief part of the currency; it has at all times formed a large portion of our specie fund: our money unit was founded upon the computed value of a Spanish silver dollar. It has ever been the actual or implied measure of contracts. Silver is the money to which we have been accustomed; and it is, also, generally speaking, the money of commerce. Public and mercantile convenience uniting in favor of silver as coin, it would appear to be highly injudicious to hazard the loss of our silver, by elevating the value of gold even to its average rate in commerce.

The committee are finally of opinion that the rate proposed by the Secretary of the Treasury, of 1 of gold for 15.625 of silver, is the utmost limit to which the value can be raised, with a due regard to a paramount interest; the preservation of our silver as the basis of circulation.

The committee have not overlooked the fair claims of our own gold miners; and they will now proceed to show that the decision against a high estimate is, in no degree, injurious to their interest.

Mr. Crawford, in his much esteemed report on currency, makes the following sensible and important observation: "If paper can be made to circulate, independent of its employment in the transmission of funds, gold and silver to the same extent will be exported. If paper will be received and employed generally as the medium of exchange, and especially if it is issued in bills of small denominations, the amount of specie which will be exported will be great in proportion to the paper in circulation. If this position be correct, the power of Congress will be insufficient to retain any considerable portion of gold or silver in the United States."

These opinions are so decisive as to the inutility of legislative regulations, with the view of placing and maintaining gold and silver coin in general circulation, that the committee will try their accuracy by the convictive if not infallible test of our own experience.

It may be affirmed that our currency, at the adoption of the constitution, was almost entirely composed of gold and silver money; the Bank of North America was in operation, but its notes had not likely much circulation. In 1791, the first Bank of the United States was instituted; but it is presumed that its issues were neither very great, nor perhaps intended to be of that denomination which passes easily into wide circulation, as General Hamilton, who projected that institution, was of opinion, that "bank circulation is desirable rather as *an auxiliary* to, than as a *substitute* for, that of the precious metals" It is believed, that, so lately as the year 1800, coin constituted the bulk of the circulation, and was the chief instrument used for effecting exchanges of small amount. Bank notes were rarely seen south of the Potomac, or west of the mountains; and having had probably a restricted circulation in the interior of any State, it is not unlikely but that the people of the United States, until that period, (banks being too few and

distant to be used as general depositories,) did enjoy the advantage of "using either species of coins, according to convenience or pleasure."

Subsequently banks increased in rapid succession; public confidence and convenience facilitated the issue of their notes, and bank bills very soon ejected gold and silver coins from every channel of circulation which the denomination of the notes were adapted to fill. Notwithstanding this extensive substitution of paper in place of coin, gold and silver circulated partially until the war. It is not known correctly when the emission of notes under five dollars commenced; but presuming that few of that denomination were issued before the war, it is evident that a considerable amount of gold and silver was necessary to the public convenience, and, being necessary, it was no doubt possessed. The notes of local banks generally do not circulate freely beyond the limits of their State; and the first Bank of the United States having issued no bills of a lower denomination than ten dollars, travelling expenses, and other objects of distant disbursement, created a considerable demand for gold or silver, whilst the vast variety of minor expenditures under five dollars, must have retained in circulation a large amount of Spanish or American dollars.

It is a reasonable and moderate estimate to suppose that a population of seven and a half millions, in 1811, required, for the purposes recited, not less than seven or eight millions of gold and silver coin, independent of the integral parts of a dollar, wanted as change. Silver dollars were of necessity in circulation, as there was no substitute, and gold was probably more abundant than was indispensable to public convenience; being the overrated metal, it was no doubt paid out by the banks in order to check the exportation of silver, or to realize a profit on its sale. The dissolution of the Bank of the United States occasioned a great increase of local institutions; war soon succeeded, specie payments were suspended, and the whole country was inundated with notes from one sixteenth part of a dollar upwards, to the entire exclusion of the precious metals.

After the banks resumed specie payments, silver continued to be occasionally in demand for exportation, at a premium. Gold being consequently the cheapest metal, composed a considerable portion of the specie fund; and it was tendered and paid out by the banks in preference to silver, until the year 1821, when the English demand commenced. Since that time gold has disappeared entirely from circulation, and also from the vaults of the banks. The resumption of cash payments did not restore our circulation to the footing of 1811. Five dollar notes have been constantly issued by the present Bank of the United States, and notes of one, two, and three dollars circulate in a great majority of the States, to the exclusion of silver, except as change.

This brief statement exhibits the progressive alterations in our currency, from coin to bank notes, issuing finally in a paper circulation, (redeemable on demand with specie,) and no coin above the fractional parts of a dollar—a result which illustrates and verifies the assertion of Mr. Crawford, that "if paper will be received and employed generally as the medium of exchange, and especially if it is used in bills of small denomination," it will be impracticable "to retain any considerable portion of gold or silver in the United States." The current of business which inevitably produces this effect, is well understood or easily explained. The advantages enjoyed by a bank over an individual money lender arises from such general confidence in its solidity as induces the deposite, for safe keeping, of the surplus funds

of the community, and the reception of its notes as money. These are the sources of profit beyond the use of its capital, and of these the chief is usually its issues. Banks not only hold the surplus funds of the society, and furnish the circulating medium, but every payment and receipt of magnitude is made through their agency. The entire currency of the United States is thus constantly flowing into the banks, and out again into general circulation.

If the profit of these institutions depends materially upon the emission of their paper, is it likely, is it reasonable, to expect that they will ever voluntarily make payments in coin? If money is not much wanted, the issue of notes strengthens their vaults, and places them in an attitude to meet with facility the first improvement in business. If money is in fair demand, will not the desire to realize large profits keep their specie as low as prudence will authorize, and cause them to regard with solicitude its emission? Is it not obvious that their interest presents constantly a strong inducement to avoid the disbursement of specie? Have we not all experienced, or heard of the reluctance with which banks part with coin? And is it not well known, that when money is in demand, instead of meeting a call for specie with cheerfulness and accommodation, the general desire and practice is to tender that description of coin which the applicant does not want? If gold is demanded, will not silver be tendered, and the reverse?

This course of business is in accordance with the nature of the vocation; and it is not mentioned with the slightest disposition to imply censure or disapprobation, but to show, in the practical operation of our money system, the inefficacy of any measure to increase the circulation of gold or of silver, whilst bank notes retain the public confidence, and are issued of small denominations.

The legal authority to regulate the currency of the United States was one of the powers granted to Congress by the constitution; but its practical efficiency is exercised exclusively by the banks. The money used by the people of the United States for every object of internal trade, is bank bills. The specie basis, which sustains the circulation, is regulated in its amount according to the pleasure or discretion of the issuers of the paper. The notes are redeemable on demand, in coin; but that liability, however beneficial as a security, has no effect upon the composition of the circulating medium. Any sum demanded will be promptly obtained, for concealment, or manufacture, or for exportation; but whatever may be the amount of specie withdrawn from the bank for other purposes, the circulation of coin is but momentarily increased, as the strong current of payments speedily carries it back to the banks, whose interest it is to re-issue a less costly substitute.

The committee have thus minutely examined the course of banking operations, in order to show, as they conceive, that if "bank notes are pressed into every channel of circulation," so "diffused through our extensive country, and so much is silver banished from circulation, that the option to demand silver is not within the reach of the great body of the people;" yet it does not appear how this difficulty would be removed by the coinage of gold. Congress can establish such a relative value for gold as would soon convert all the silver in the vaults of the banks into that metal; but it is apprehended that "the power of Congress will be insufficient" to force gold into circulation, while five and ten dollar notes are issued and sustained in circulation by public confidence.

Cordially concurring in the justice and propriety of the remark, that "a

bad state of the coins is a great evil, but when such a state of the coins is continued for the purpose of promoting the use of paper money, the end is pernicious, and the means are an abuse of power," the committee nevertheless cannot perceive wherein the legislative authority can be exercised, under existing circumstances, so as to improve or alter the domestic circulation.

Leaving out of view the past year, during which the balance of payments with other nations has been unusually in our favor, it is questionable if the total amount of specie generally in the United States has much exceeded the amount possessed nearly thirty years ago, although population has more than doubled, and wealth has increased in a much greater ratio. The amount of silver in circulation, of which a half a dollar is the highest denomination, is estimated at 5 to 8 millions, the former is likely the most accurate conjecture, as a large majority of the States, includ ng those which have made the greatest progress in commerce and manufactures, use notes of one, two, and three dollars. According to a statement entitled to respect, the situation of the State banks and of the Bank of the United States on the 1st of January, 1830, as regards circulation and specie, was as follows:

Notes of State banks, including nearly $5,000,000 of notes under five dollars, and deducting notes of other banks on hand,

	Circulation.	Specie.
Amounted to - - - -	$36,000,000	13,000,000
Bank United States, nett issue - -	13,000,000	7,000,000
Total circulation - - - -	$49,000,000	$20,000,000
Estimated amount of silver change - - -		5,000.000
Total amount of specie - - - - -		$25,000,000

As these issues are sustained in circulation by public opinion, the community must be satisfied with their safety and convenience, or the power which sustains would promptly be withdrawn. We have commerce and wealth enough to bring and buy the precious metals, as well as many other luxuries that we purchase; and we may therefore be considered as exemplifying, in part, the general opinion of Mr. Lowndes in regard to paper currency and the precious metals, who states in his report on coins, that "wherever trade has existed without the paper, specie has been abundant, and scarce always where the paper has existed, either with, or without the trade: we must conclude, that when precious metals become scarce, while the price of foreign and domestic productions continues high, their scarcity results, not from the country being unable to procure or retain them, but from *its choosing* to employ a substitute for their use."

It has, however, been suggested by a highly respectable authority, frequently adverted to, that "Congress may, if it deems proper, lay a stamp duty on small notes, which will put an end to their circulation;" and it has also been proposed, "in order to bring gold more generally into circulation, that all notes under the denomination of ten dollars might be suppressed." "The reduction in the amount of the paper currency, arising from a suppression of the small notes, may be estimated at six or seven, and that produced by the suppression of the five dollar notes at about eight millions. Both together would probably lessen the paper currency by one-fourth, and substitute silver and gold coins in lieu thereof."

The partial introduction of gold and silver coins into general circulation would, no doubt, render our current medium a more certain and stable measure of exchange, and contribute to the gratification of those who prefer coins to paper. The committee are not insensible of the advantages thus proposed; and if circumstances authorized any effectual change, they would readily concur in such measures of melioration as expediency might suggest. They are of opinion, that the wages of labor, and the produce which small farmers pass immediately to the consumers, might, with advantage and propriety, be paid in coin, on the ground that this industrious and deserving class, who derive no benefit from the credit system, should not encounter any risk in the medium of payment.

An alteration of this nature would open an extensive home market to our miners, as gold might then be coined at such a regulation of value as would secure its permanency in circulation; and if it were limited to effect the small payments noted, it would not expose our silver to hazard, nor would such a measure as is apprehended raise prices injuriously, it having been ascertained, by long experience in England, that "this rise is influenced by a defect in that sort of coin only, which is the principal measure of property, and in which our balances to foreign countries are regulated and paid;" for, as Mr. Ricardo remarks, "the silver currency was, during a great part of this period, (a long period previous to 1797,) very much debased; but it existed in a degree *of scarcity*, and, therefore, on the principle which I have before explained, it never sunk in its current value."

But there will be time enough to ascertain distinctly the public opinion in regard to alterations of important character, before it will be in the power of Congress to interfere with efficiency.

Independent of other existing difficulties, the committee entertain the decided conviction, that the public faith solemnly guarantees to the proprietors of the Bank of the United States the privilege to issue notes of five dollars.

The numerous reports and official statements which have been made to Congress upon coins and currency, abundantly testify that some dissatisfaction has long subsisted in regard to our circulating medium.

The committee, therefore, were of opinion, that, however tedious a minute disquisition upon a subject of such intricacy might appear, it was their duty to effect a complete investigation.

Notwithstanding the notoriety of great discordancy of views prepared the committee to encounter the difficulty of making an election amongst authorities of equal eminence and capacity, yet it has been the cause of much regret, that their conclusions have oftentimes differed from the sentiments of those for whose judgment they entertain high respect.

The committee have carefully collated the diverse opinions of many writers of great distinction and celebrity, upon this complicate and controvertible subject; and having engaged in its examination with unprejudiced minds, and an earnest desire to arrive at just views of general principles, and of their beneficial adaptation to the peculiar circumstances of the United States, they will now conclude their report with a recapitulation of the result of their deliberations and investigations.

1st. That the operations of commerce will assuredly dispense to every country its equitable and useful proportion of the gold and silver in currency, if it is not repulsed by paper, or subjected to legal restrictions.

2d. That it cannot be of essential importance to any State, whether its proportion of the money of commerce thus distributed consists of gold or

of silver, or of both metals, it being the instrument of exchange, but not the commodity really wanted.

3d. That there are inherent and incurable defects in the system which regulates the standard of value in both gold and silver. its instability as a measure of contracts, and mutability as the practical currency of a particular nation, are serious imperfections; whilst the impossibility of maintaining both metals in concurrent, simultaneous, or promiscuous circulation, appears to be clearly ascertained.

4th. That the standard being fixed in one metal, is the nearest approach to invariableness, and precludes the necessity of farther legislative interference.

5th. That gold and silver will not circulate promiscuously and concurrently for similar purposes of disbursement, nor can coins of either metal be sustained in circulation with bank notes, possessing public confidence, of the like denominations.

6th. That if the national interest or convenience should require the permanent use of gold eagles and their parts, and also of silver dollars, the issue of bank bills of one, two, three, five, and ten dollars, must be prohibited.

7th. That if it should hereafter be deemed advisable to maintain both gold and silver coins in steady circulation, and to preserve silver as the measure of commerce and of contracts, gold must be restricted to small payments.

8th. That if it is the intention to preserve silver as the principal measure of exchange, permanently and securely, it will be necessary to estimate the relative value of gold under its present average, or probable future value in general commerce.

Influenced by these considerations, the committee recommend that the standard value of gold be regulated according to the ratio of one of gold for $15\frac{625}{1000}$ of silver; and that the portion of alloy hereafter used in coinage be established at one-tenth, and therefore submit the following amendments to the bill from the Senate:

	Grains fine gold.		Grains standard gold.
The gold eagle to contain - - -	237.6	=	264
half eagle - - - -	118.8	=	132
quarter eagle - - -	59.4	=	66

A TABLE showing different relative values of Gold and Silver, and the quantity of Fine Gold, and also of Standard Gold, in an Eagle, according to the respective valuations, estimating Standard Gold to be nine-tenths fine and one-tenth alloy.

Estimates of the relative value of equal quantities of Gold and Silver.	Grains of Pure Gold in each.	Grains of Standard Gold in each.	Estimates of the relative value of equal quantities of Gold and Silver.	Grains of Pure Gold in each.	Grains of Standard Gold in each.
GOLD TO SILVER.	EAGLE.	EAGLE.	GOLD TO SILVER.	EAGLE.	EAGLE.
1 to 15.	247.50	275	1 to 15.525	239.13043	265.70047
1 to 15 025	247.08818	274.54242	1 to 15.550	238.74598	265.27331
1 to 15.050	246 67774	274 08637	1 to 15.575	238 36276	264.84751
1 to 15.075	246.26286	273.62540	1 to 15.600	237 980769	264.423076
1 to 15 100	245.86092	273 17870	1 to 15.625	237.6	264.
1 to 15.125	245.45454	272 72726	1 to 15.650	237 220447	263.578274
1 to 15.150	245 0495	272.2772	1 to 15 675	236 8421	263.1578
1 to 15.175	244.64579	271.82865	1 to 15.700	236.464968	262 738853
1 to 15.200	244.24342	271 38157	1 to 15.725	236.08903	262.32114
1 to 15.225	243.84236	270.93595	1 to 15.750	235.65079	261.83421
1 to 15.250	243 44262	270.49180	1 to 15.775	235.340729	261.489698
1 to 15.275	243.04418	270.04905	1 to 15.800	234 96835	261 07594
1 to 15.300	242.647058	269.607842	1 to 15.825	234.59715	260 66350
1 to 15.325	242 25122	269.16802	1 to 15 850	234.22712	260 25235
1 to 15.350	241.85667	268.72963	1 to 15.875	233.85826	259.84251
1 to 15.375	241.46341	268.29267	1 to 15.900	233.49056	259.43395
1 to 15.400	241.071428	267 857142	1 to 15.925	233 124018	259 026686
1 to 15 425	240.68071	267.42301	1 to 15.950	232.75862	258 62068
1 to 15 450	240 29126	266 99028	1 to 15.975	232.394366	258.215962
1 to 15.475	239 90306	266.55895	1 to 16.	232.03125	257.81250
1 to 15.500	239 51629	266 12921			

SILVER COINS.

FEBRUARY 22, 1831.

The Select Committee to whom was referred a resolution of this House of the 23d December, 1830, *directing them "to inquire into the expediency of providing by law, that dollars of the new American Governments, and five franc pieces, shall be a legal tender in the payment of all debts and demands; and, also, whether any additional regulations are necessary relative to the recoinage of foreign silver coin at the Mint," respectfully report:*

That the authority "to coin money, regulate the value thereof, and of foreign coin," is one of the powers specially and exclusively granted to Congress by the constitution of the United States; and in the exercise of this appendage of sovereignty, various regulations have been enacted in regard to foreign coins and coinage.

The constitutional expression clearly justifies the inference that foreign coins were current money, and that their adjustment and retention in circulation were desired by the people of the United States. A brief consideration of the usages of other States, and a minute inquiry into our own practice and present circumstances, will be useful guides in the progress towards just conclusions.

Although national coins are usually and appropriately the metallic currency of the commercial world, yet some States have risen to the highest rank in commerce and general prosperity without adopting the principle of a standard of value exclusively in their own coins. England and France have maintained the exclusive system, but Holland, Hamburgh, Genoa, China, and the United States, have more or less freely received the coins of well known mints at their intrinsic value. Peculiarity of circumstances, may have induced or recommended this diversity of regulations, but there is not any evidence in the historical result that the exclusive system was particularly beneficial, or that the free reception of foreign coins was inconvenient in practice, or prejudicial in its effects. Our own experience corroborates the latter view.

France is an imposing instance of great national prosperity under a rigid and persevering adherence to its own coins, still it is not perceived that the reception of foreign coins at their instrinsic value, with their use restricted to large commercial transactions, could have operated otherwise than beneficially. The profit upon transactions in money depends materially upon its prompt and easy disbursement; and its being undervalued at the mint, as is the case in France, amounts to a tax and restraint upon its importation, and to that extent it diminishes or prejudices exchanges.

During the progress of Holland to pre-eminence in trade and wealth, (and until very recently,) the introduction of foreign coins was uniformly encouraged. Money was coined for small domestic purposes, but every description of gold and silver coins was received at the bank according to its real value, and there assimilated to the commercial currency, under the general title of "Banco." Genoa at an early period, and Hamburg to this day, have, with great advantage, practised a similar system of mercantile accommodation, except that the deposites in the bank of the latter city have always been restricted to silver. It is alleged that the money of commerce in China is foreign coins converted into gold and silver ingots of certain fineness.

The monetary system of England is comparatively modern, and it is peculiar to that nation. Except the late period of war, their regulations for more than a century established in practice, the principle, now in legal operation, of a single standard in gold, but a mixed currency. Bank notes, at one time not less than £20 sterling, afterwards £10, and now £5 redeemable on demand in gold, are issued and used as the chief circulating medium for discharging commercial or other large obligations. But it is contemplated that all minor transactions, retail business, wages of labor, &c., should be paid in gold, unless under the value of forty-two shillings, when it is optional to use silver coins. Under this arrangement, it is computed that the currency of England is composed of thirty millions of pounds sterling in paper, twenty-two millions of gold, and eight millions of silver; one half of that entire circulation being metallic. Foreign coins are not a legal tender, but gold in every shape is current at a trivial discount, ($\frac{1}{6}$ of a per cent. at present,) or occasionally at the mint value, coinage being free.

Silver is there a commodity, varying in price with the foreign exchanges; a seignorage of six per cent. being exacted at the mint, its coinage becomes a Government business, and the supply is regulated by the amount of effective demand.

This limited use of silver rather tends to depress its market value, the more especially as this metal, which England rejects, is, generally speaking the practical currency and money of the commercial world. The British nation, nevertheless, contend, that this inconvenience is amply compensated, by the steady preservation of the value of the money unit, and the retention of the customary coins permanently in circulation.

Our own practice, in regard to gold and silver money, has differed materially from the usage of any of the nations adverted to; and, as custom has an important influence in establishing predilections, a minute and accurate inquiry on this head may prove advantageous and instructive.

Foreign gold and silver coins were the only description of metallic currency that circulated in these States anterior to 1792. In that year, Congress authorized the erection of a mint, regulated the proportions of gold to silver, and established a relative value in all foreign coins then current, according to their intrinsic worth—rendering them concurrent tenders in payments, in conformity with the language of the constitution, which distinctly intimated the necessity and utility of their circulation.

Although gold and silver have both been used and regulated by law, yet it is believed that silver coins alone were legally recognized during our colonial history. Whatever may have been the case in this respect, there can be no doubt but a "Spanish dollar" was originally the practical money unit; and if obligations have been discharged with gold, and with paper, as well as silver, a certain number of Spanish dollars have, at all times, constituted, specially, or by implication, the basis of exchange, and the measure of the contract.

Our money of account was, originally, an ideal unit, called a pound; but it is very evident that the Spanish dollar was universally current, from the fact, that, although its value varied in the colonies from 4*s.* 8*d.* to 8*s.* currency each, it was uniformly estimated, in computations of exchange with England, at 4*s.* 6*d.* sterling. The universality of that estimate is presumptive evidence, that the Spanish dollar was the practical currency of the colonies; and our adherence to a mode of calculation so obviously erroneous, exhibits such pertinacity as will only attach to old and well founded habits; but the nature of the estimate proves, incontrovertibly, the antiquity of its practice. Spanish dollars of that value ceased to circulate by tale, in 1728. From the reign of Philip III. of Spain, until that time, the standard fineness of silver was $11\frac{1}{6}$ dinhieros fine; therefore, the marc of Castile, 3,557 grains, must have yielded $8\frac{1}{2}$ dollars, containing $389\frac{4}{10}$ grains, but the remedy then being (two grains fine,) nearly 3 grains each, the value of dollars, antecedent to that period, was, likely, from $386\frac{1}{2}$ to $387\frac{1}{2}$ grains of fine silver. According to the British standard, established in 1601, 444 grains of fine silver being rated at 5*s.* 2*d.* sterling, 4*s.* 6*d.* were represented by $386\frac{7}{10}$ grains, equivalent to the average value of the Spanish dollar, as above stated, in circulation previous to 1728.

Sir Isaac Newton's return of assays, made by order of the British Government earlier than 1717, contains this statement:

	Dwts.	Grains.	English standard.		Value sterling.	Grains fine silver.
			Dwts.	Grains.		
					s. *d.*	
Dollar of Spain -	17	12	17	$10\frac{1}{10}$	4 6	$386\frac{3}{4}$
Dollar of Mexico -	17	$10\frac{5}{9}$	17	$8\frac{7}{10}$	4 $5\frac{5}{6}$	$385\frac{1}{2}$
Pillar dollar - -	17	9	17	9	4 $5\frac{7}{8}$	$385\frac{3}{4}$

And Ricard, in his "Traitè General du Commerce," asserts that it was rare to see in the British American provinces any English coins, but that the following foreign silver coins were made legal tenders in payment, by an act of Parliament, passed during the reign of Queen Anne, in 1706, viz. German rix dollars, Flemish ducatoons, French crowns, Portuguese crusadoes, and Dutch three guilder pieces, at specified rates: and the variety of the Spanish dollars is designated thus:

Dollars of	Dwt.	Grains.	Value sterling.	Value currency.
			s. *d.*	*s.* *d.*
Seville or Mexico, weight -	17	12	4 6	6 0
Seville or Peruvian, do -	17	12	4 5	5 $10\frac{2}{3}$
Pillar dollar, do -	17	12	4 $6\frac{3}{4}$	6 1

Which several circumstances fully establish the fact, that the Spanish dollar has been, throughout the entire period of our commercial history, the practical or legal money unit, and the chief instrument of exchange.

In 1728, the standard purity of silver in the Spanish dollar was reduced to 11 dinhieros, equal to 383.2 grains, being a reduction in value of $1\frac{1}{2}$ per cent.; and a royal edict, issued in 1772, established the regulation which yet prevails, of $10\frac{3}{4}$ dinhieros fine, equivalent to $374\frac{7}{8}$ grains to each dollar, with but one grain fine for remedy.

In 1786, the Congress of the confederation adopted a dollar as the money unit, and fixed its value at $375\frac{64}{100}$ grains of fine silver, the coins to contain one-twelfth part of alloy.

General Hamilton, in his celebrated report upon the establishment of the mint in 1791, recognized the Spanish dollar as the practical standard of the United States; but, from some cause not now susceptible of satisfactory explanation, he does not appear to have ascertained correctly the precise value of that coin, which he evidently desired to adopt as the unit and basis of our monetary system. The art of assay must have been then very imperfectly understood in the United States, as he notes a difference of twenty-four grains in the result of various experiments—an incredible disproportion in coins of established and universally good reputation.

The European assays, which returned the quantity of fine silver at 368 to 374 grains, were probably a correct record of every variety in circulation:

but, as the regulations of all mints are dictated with fractional precision, it ought to have been inferred that a discrepance of six grains was attributable to wear, and not to irregularity in the fabrication of such a valuable commodity. General Hamilton assumed the average, instead of the highest assay, as the ground work of his system; and having added thereto one-fourth of a grain, in order to attain numerical exactness in the relative value of gold, our dollar or money unit was finally regulated in 1792 by a law of Congress, which altered the value of the unit adopted in 1786, in the following terms: "there shall be, from time to time, struck and coined at the said Mint, dollars or units, each to be of the value of a Spanish milled dollar, as the same is now current, and to contain 371¼ grains of pure, or 416 grains of standard silver."

The early operations of the Mint do not appear to have conformed to this legal regulation. Amongst various assays made in London by eminent artists, as furnished by Dr. Kelly, American dollars are stated as follows:

Years.	Weight.	English standard.	Grains of fine silver.
	dwts. grs.	dwts.	
1795,	17 8	6½ worse	373.6
1798,	17 10½	7 do	375
1802,	17 10	10½ do	368.3
Average of 8 years,	17 8	8½ do	370

Whatever may have been the rate or regularity of the mint operations, the quantity of dollars coined in twenty-three years, ending with 1816, (1,400,000,) was too trivial to create any distinction in value in internal circulation: our customary standard, the Spanish dollar, constituted then, and at all times, the chief portion of the metallic currency, as well as of the specie held by the banks. It continued to be the practical tender and measure of contracts; and the concurrent circulation of so small a portion of our own coins occasioned no inconvenient discrimination. Congress ceased to regulate the value of one description of foreign coins after another, until, finally, in 1827, none were recognized as legal tenders, except our ancient money, the "Spanish milled dollar." If plurality rightfully confers denomination, these dollars should always have been distinguished as "Spanish American dollars;" they were coined by the mints of this continent, and the dollars of Spain were rarely seen in circulation.

Political events have given new and more respectable titles to the countries from whence these coins have always issued, and a change of name alone has withdrawn the privilege of presenting these dollars as a legal tender in payments.

Very recently a demand for specie upon one of the most respectable banks in our commercial metropolis, was met by a tender of dollars coined by the mints of America, formerly Spanish, and refused: the friendly aid of another institution furnished the required amount in United States' coin, and relieved the bank from the mortifying and painful alternative, of acknowledging its inability to redeem its notes with lawful money; thereby hazarding the enforcement of the penal article of its charter, which inflicts

twelve per cent. per annum interest, until the demand is legally discharged. The money tendered was well known be of the same standard as the "Spanish milled dollars," and about one-half per cent. more valuable than our coin; fufilling, in every essential quality, the spirit and object of the law, yet liable on any occasion to be refused, from a nominal discrepance with the legal requisition.

The various laws of Congress in respect to foreign coins having obviously contemplated their rejection from general circulation so soon as circumstances might conveniently authorize that measure, and as the "Spanish milled dollar" will ere long disappear in foreign trade, the present occasion appears favorable to an expanded consideration of this subject.

In countries where gold and silver compose exclusively or chiefly the currency, it is a general and very convenient practice to use national coins. The public seal is a satisfactory evidence of their value, and the money unit and its parts, being uniformly exhibited, facilitates computation. This usual practice did not, however, obtain, when our circulation was principally metallic; and the motives of convenience, which recommend an extensive issue of standard coins, cease to have influence in our present circumstances. Our currency is bank notes, to the exclusion of the precious metals, except as change. The money unit of the United States, or its concurrent tender, "Spanish milled dollars," is rarely, if ever, seen in circulation. The currency differs from that of all other nations extensively commercial, in being truly and effectively paper, secured by a specie fund, held by its issuers, the banks.

The public are deeply interested in the amount of this safety fund; but it does not appear to be of any importance to their convenience or security, whether it consists of gold or of silver, of coins or bullion.

Its peculiar character cannot be of any consequence to the banks, as their interest merely requires a supply, sufficient for every exigency, of whatever may be designated lawful money.

Gold and silver, whether coined or not, are viewed in the commercial world as bullion, and valued according to their quantity of fine metal. The stamp of the United States adds nothing to the value of the precious metals abroad, and as it is a costly impression, it should only be applied when necessary to the general convenience of the community. It is not perceived in what respect the public convenience is promoted by the coinage of silver, which passes temporarily into the vaults of the banks, and is soon afterwards again melted by refiners in foreign nations.

That such is the course and effect of commercial enterprise, will be evident upon reference to the mint operations, and to our trade in the precious metals.

The Director of the Mint states that the American coin possessed by the Bank of the United States and its branches, is less than two millions of dollars, or about one-sixth part of its specie; assuming a similar ratio for the State banks, (which is a liberal estimate, considering the advantageous position of the former institution,) the entire amount of American coin held by the banks does not, likely, much exceed four millions of dollars. Taking the issues of one, two, and three dollar notes, in the eastern States, as a guide, it does not seem probable that there is a greater amount of silver in general circulation, of all denominations, than five millions of dollars, of which, perhaps, three to four millions are American coin.

According to this estimate, the national coins do not, likely, exceed seven

to eight millions of dollars in silver. The Mint has fabricated thirty-seven millions, of which nine millions were of gold. Considering that twenty millions of silver coins have been issued since 1817, and about eleven millions within the last five years, the inutility and inexpediency of extensive operations at the Mint are manifest. Our coins being less valuable than Spanish dollars, or those of the new American States, would have the effect to maintain them exclusively in domestic circulation, if the currency was metallic; but the same cause, that of being overrated, induces the banks to tender them on all occasions when specie is demanded for exportation, unless they can obtain an acceptable profit on their foreign dollars. The difference of intrinsic value is about four to five mills each, but foreign dollars have commanded from one-half, to one and one-fourth per cent. premium; hence the inferiority in value of our coins tends to hasten their exportation.

The amount of foreign gold and silver coins exported annually, during five years ending with September, 1829, appears to be about six and one-third millions of dollars.

1825,	specie exported, - - -	$8,797,055
1826,	do., - - -	4,098,678
1827,	do., - - -	6,971,306
1828,	do., - - -	7,550,439
1829,	do., - - -	4,311,134
		5)31,728,612
	Average exports yearly,	$6,345,722

The average yearly amount of American coins for three years (which are the only distinct returns) is about eight hundred thousand dollars.

1827,	American coins exported, - -	$1,043,600
1828,	do., - -	693,000
1829,	do., - -	612,900
		3)2,349,500
	Average annual export,	$783,167

From which it appears that there are, in all, upwards of seven millions of dollars annually exported.

The imports of gold and silver during the same time average seven and one-fifth millions.

1825,	specie imported, - - -	$6,150,765
1826,	do., - - -	6,880,966
1827,	do., - - -	8,151,130
1828,	do., - - -	7,489,741
1829,	do., - - -	7,403,612
		5)36,076,214
	Average imports yearly,	$7,215,243

During the same period, the exports to Mexico and South America averaged, yearly, domestic produce, about four and a half millions; foreign produce, six millions, viz:

Exports.		Domestic.	Foreign.
1825,	Mexico and South America, - -	$5,117,900	8,533,400
1826,	do., - -	4,717,700	8,237,600
1827,	do., - -	4,561,500	4,879,600
1828,	do., - -	4,622.200	4,509,800
1829,	do., - -	4,242,400	3,459,100
		5)23,261,700	29,619,500
	Exports average yearly,	$4,652,360	5,923,900

Imports from these countries, nearly six millions of dollars of merchandise, and nearly five millions of gold and silver.

Imports.		Merchandise.	Specie.
1825,	Mexico and South America, - -	$6,014,900	3,684,000
1826,	do., - -	6,778,200	3,657,100
1827,	do., - -	4,735,800	5,704,300
1828,	do., - -	6,136,700	5,533,800
1829,	do., - -	5,913,500	5,672,500
		5)29,579,100	24,251,700
	Imports yearly average,	$5,915,820	4,850,300

These various details appear to authorize the following conclusions:

First. That it is of no importance to the public, or to the banks, the description of the silver money, that constitutes the specie fund, provided a sufficiency of American coin for change can be obtained, and that Congress give a legal character, as was the practice formerly, to the foreign coins which usually circulate in general commerce.

Second. That American coins being overrated, light in comparison with foreign dollars, does not prevent their free exportation.

Third. That the demand for silver for internal circulation is of very trivial amount.

Fourth. That a large portion of the gold and silver coins imported is purchased with foreign produce, and is in transit, destined, through our agency, for distribution to supply the wants of other nations.

If these opinions are well founded, the gold and silver coins imported are commercial commodities, calculated for foreign consumption, and entitled to every facility and privilege, consistent with sound policy.

An error having been committed in establishing the money unit "of the value of a Spanish dollar" at 371¼ grains of pure silver, there are two modes in which the consequent and existing inconvenience may be remedied.

First. The error may be rectified, without inflicting any injury of consequence or prejudice to property or contracts, by causing the rate of coinage to conform to the original and clearly expressed intention of the law, that of 374 grains of fine silver to the unit or dollar, being the value of a Spanish dollar in 1792, and limiting the tender of the half dollars now in circulation to payments of ten dollars; or,

Second. The inconvenient effect of the error may be corrected by adhering to the established and existing silver standard, by rejecting the an-

cient currency and money of contract, a "Spanish milled dollar," as a tender by tale, and by estimating all foreign coins as bullion, and regulating the measure of its value by its quantity.

The committee are decidedly in favor of this latter course. A new and powerful Mint is nearly completed, and American coins ought hereafter to be the only metallic money in domestic circulation. The Spanish dollar will soon be unknown in foreign trade; the dollars of the new American States have not yet been legally recognized; and specie being unusually abundant, the circumstances are propitious to the permanent adoption of a measure which has been long contemplated.

The silver coins in the banks should be viewed as the money of commerce, the value of which is determined by its quantity of fine metal. This course is in accordance with sound mercantile principles, and with former usage.

Congress has repeatedly sanctioned it by regulating the value of British, Portuguese, French, and Spanish gold; and, also, of five franc pieces and crowns of France; giving them currency, according to their weight when tendered, at rates calculated to minute fractions, varying with the standards of their respective mints—a course of policy which is equitable to all in its effects, and beneficial as well as accommodating to commercial operarations.

Our merchants import these dollars to discharge their debts, or to make purchases from foreign nations. When the imported dollar of 373½ to 374 grains of fine silver is received on arrival at the value of 371¼ grains, the importing merchant is taxed two-thirds of one per cent. upon his property, which is money. Suppose these dollars are minted into American coins, one hundred dollars and one-half will be furnished to the depositor for every one hundred dollars imported, at the expense to the United States of one and one-fourth per cent., according to the statement of the Director of the Mint; and when thus converted, at this heavy expense to the public, the one hundred and one-half dollars of American coin are less valuable abroad than the one hundred dollars imported, as will be perceived by reference to copies of actual sales in France.*

If these coins were a legal tender on the principle of regulation, applied to other coins noted, being current by weight, at the correct value ascertained by mint experiments, that of $116\frac{1}{10}$ cents per ounce, justice would be rendered to the importing merchant; a heavy annual expense would be saved to the United States; and banking and commercial transactions would be greatly facilitated. If our currency was metallic, public convenience might reasonably demand, and properly discharge, the expense of coining all silver previous to its being tendered in payments.

The foreign dollars being imported for no other object than exportation, it appears to be a departure from sound policy, to countenance regulations that cause a deduction tantamount to the imposition of a tax of one-half per cent, on a commodity, as it were, but temporarily in entrepot.

It is yet more injudicious to incur a heavy annual expense at the mint, in giving these coins a new character (that of United States' dollars) less known in commerce, and, consequently, rather a disadvantageous alteration.

The chances of profit to the merchant are greater when an export of the precious metals is made in foreign coins. They may be returned to the countries from whence they issued, or where they are current, and be used

* See Secretary of the Treasury's report on gold coins.

on arrival as effective money; or some of them may be received in particular States with partiality, as is the case in France with Spanish dollars, or those of the new States, which appear to command six centimes each, or about $1\frac{1}{7}$ per cent. more than our coins, although the difference, according to the Mint test, is but one-half per cent.

It has been suggested by the Secretary of the Treasury and the Director of the Mint, whose opinions are justly entitled to great respect, that the existing inconvenience would be removed, by regulating the Mexican dollar alone as a legal tender, by tale, in all payments.

The committee are inclined to view this recommendation as not sufficiently efficacious. Our uniform appellation of "Spanish milled dollars" embraced the coins of Spain, and of its various mints in America. The discrimination suggested might not be viewed agreeably; and there is no evidence that any of the South American dollars (except those of La Plata and Colombia) differ in any degree as to standard fineness, nor is the least valuable of them inferior to our dollar.

The measure proposed would prevent the recurrence of the difficulty experienced at New York, but it could have no tendency to establish Mexican dollars of $373\frac{1}{2}$ to 374 grains in concurrent and promiscuous circulation with American coin of $371\frac{1}{4}$ grains of fine silver. It would not relieve the Mint from its present oppressive duty of coining, uselessly, foreign dollars at the heavy expense of twenty thousand dollars yearly, nor would it produce the desirable and equitable effect of enabling our enterprising merchants to obtain the just value for their money on its arrival. Formerly, when a merchant imported crowns or five franc pieces, or gold, he was authorized to tender them in all payments at their intrinsic worth in fine metal, as ascertained by the Mint. If this just right be so restricted as to protect the community in their ordinary dealings from inconvenience, the regulation of all such foreign coins as our merchants trade in, as legal tenders, (according to quantity of fine metal,) cannot fail to facilitate and benefit commercial transactions.

In conformity with these views, the committee recommend that the dollars of Mexico, Central America, Peru, Chili, and also thedollars restamped in Brazil, of the denomination of 960 reas, shall be a legal tender in all payments above the sum of one hundred dollars, at the rate of $116\frac{1}{10}$ cents per ounce troy, provided the aforesaid coins shall be of the usual standard fineness of 10 ounces $15\frac{1}{2}$ pennyweights of fine silver to the pound troy of 12 ounces; and that the five franc pieces of France, of the standard of 10 ounces 16 pennyweights fine to the pound troy, shall likewise be a legal tender in all payments exceeding one hundred dollars, at the rate of $116\frac{4}{10}$ cents per ounce troy.

The committee beg leave to annex to this report some valuable documents in relation to the Mint, which have been furnished by the Secretary of the Treasury. The communications from the highly respectable Director of that institution will be perused with much interest and satisfaction, as they exhibit great skill and accuracy in the management of a scientific, intricate, and important establishment.

The result of the mint operations may be stated thus:

1794 to 1830, 37 years—Gold coined,	- - -	9,335,000
Silver coined,	- - -	27,480,000
		$36,815,000

	Expense, - -	854,000	
	Wastage, - -	117,000	
		$ 971,000	or 2 $\frac{5}{8}$ per cent.
Gain on copper,		$ 127,200	
1817 to 1830 14 years—Gold, - - - -			3,800,000
Silver, - - - -			20,100,000
			$23,900,000
	Expense, - -	325,000	
	Wastage, - -	66,000	
		$391,000	or 1 $\frac{5}{8}$ per cent.
1826 to 1830, 5 years—Gold, - - -			1,303,000
Silver, - -			10,937,000
			$12,240,000
	Expense, - -	121,500	
	Wastage, - -	30,000	
		$151,500	or 1 $\frac{1}{4}$ per cent.

Annual average deposite of silver.

1826 to 1830, 5 years—Bullion, - - - -			600,000
	Mexican dollars, -	1,500,000	
	Spanish dollars, -	150,000	
	Various coins, -	150,000	
	Coins, - -		1,800,000
Average yearly deposite of silver, - - - -			$2,400,000

From these statements, it appears that the Mint has coined, since its establishment in 1794, about thirty-seven millions of dollars, of which amount four-fifths probably have been exported, leaving only seven to eight millions in the United States, after incurring the heavy expenditure of nearly one million of dollars.

The silver coinage of the last five years is nearly eleven millions, or about two-fifths of the entire quantity minted of that metal; of these eleven millions, about eight millions have been coined from foreign dollars, chiefly of that description which is most current in general commerce. The new character will certainly not be advantageous to their final disposal, though it has been effected at an expense to the public of fully one hundred thousand dollars.

The committee have already expressed the opinion that this weighty ex-

penditure of the public money on standard foreign coins, is not recompensed by any sort of public benefit; and the following extract from a letter of the Director of the Mint affords strong confirmatory testimony of its correctness.

"The specie of the United States' Bank is now nearly eleven millions, and of this amount they have less than two millions in our coin—a sum which does not exceed the amount delivered that bank from the Mint within the present year. Our coinage for that institution, from 1824 to this time, exceeds eleven millions of dollars."

This account seems to authorize the impression that our coins go abroad almost as speedily as they are fabricated. Whatever may be truly the case, it is very evident that the minting of foreign coins is a useless expenditure of the public revenue to a large amount annually.

If the total quantity of coins in general circulation be correctly estimated at five millions of dollars, the wear and necessary supply for an increasing population cannot, under our present system of money, create a yearly demand for more than two to three hundred thousand dollars of new coins, in addition to the amount in circulation.

The deposite of silver bullion, for five years past, appears to be increasing; and its annual average being $600,000, there is no reason to doubt but the Mint will be abundantly supplied with silver for every useful and desirable object.

The Director of the Mint is of opinion that certificates of deposites may be issued in one to five days; and the committee recommend to the consideration of the House the expediency of adopting such measures as will authorize the Secretary of the Treasury to pay the amount of all deposites of bullion as speedily as the value can be ascertained, deducting therefrom one half per cent., which the Director states to be the usual discount on these certificates.

The committee are of opinion, from the Mint return, that there must be a scarcity of quarter dollars, and they think the operations of the Mint might be advantageously extended in the fabrication of that coin, and also of dimes and half dimes.

Late experiments amongst the scientific artists of France encourage the expectation of improvements in the mode of assay, calculated to establish greater accuracy and uniformity in its results.

The suggestion of the Secretary of the Treasury, in reference to the relative proportion of alloy in coins, is judicious, and its adoption would simplify the process of alloying. The decimal divisions are convenient, and appropriate to our monetary system. One-tenth part of standard coins, whether gold or silver, is recommended by convenience. The existing proportion of 179 to 1664, in silver coins, is very irregular, and without any apparent benefit.

It is to be regretted that any of our silver coins should contain minute fractions of a grain, when an entire grain of silver is only worth a about one-fourth of one cent. The singular minuteness of fractions, usual in all mint regulations, is inconvenient in calculation, and unsuitable as a measure, where the value depends exclusively on its quantity. It was wisely and appositely remarked by an eminent philosopher, that the "broken proportion of baser metals to silver, in the standard of the several mints, seems to have been introduced by the skill of men employed in coining, to keep that art (as all trades are called) a mystery, rather than for any use or necessity there was for such broken numbers."

The committee, in conclusion, beg leave to report the accompanying bill.

A.

HOUSE OF REPRESENTATIVES,

Select Committee on Coins, January 5, 1831.

SIR: I am instrueted by the Select Committee on Coins to enclose for your consideration a copy of the resolution of the House of Representatives of the 23d ultimo, and to ask the favor of your eommunieating to them information on the following points:

1st. What has been the result of the experienee of the Director of the Mint, in regard to a eomparative estimate of silver dollars issued by Spain or its American provinees, and those subsequently coined by the new Governments in those provinees, as to fineness, weight, and workmanship?

2d. Has any thing occurred in the course of his investigations, rendering it neeessary to vary the statements which he furnished to the President of the United States in December, 1826, of the average result of numerous assays of dollars of the new Ameriean States, or of five franc pieces of France?

3d. Are Spanish American dollars, or those of the new States, or five franc pieces, frequently deposited, and in considerable amounts for eoinage? And does the return in Ameriean coin realize the value estimated in the report of assays, yielding to the depositor on the two former a gain, by tale, of four to seven mills each? Or what is the general or average result?

4th. What is found to be the degree of fineness of plata pina, and also of other silver bullion, usually imported from Mexico and South America?

5th. What has been the relative proportions of silver bullion, and of coin, (distinguishing old or defaced from new, or coins of full weight) annually received at the Mint from 1815 to 1830, inclusive? And what quantity of silver coin, distinguishing the denominations, has been minted yearly during that period?

6th. What is the average amount of loss in coinage upon the estimated value by assay of silver bullion or coin, to the depositor and to the Mint respeetively?

7th. Is the loss thus accruing upon bullion influenced by the relative fineness of the metal, or is it greater upon old or new coins? And what is the amount per cent. upon eaeh denomination?

8th. What is the average expense (ineluding and distinguishing the amount of loss sustained by the Mint) of coining half dollars? And does the aggregate cost vary, and to what extent, when manufactured from bullion or coin?

9th. What number of half dollars can be coined monthly at the Mint, when at full work?

10th. What quantity of the like work will the new Mint probably execute? And when is it expected to commence operations?

11th. What are the relative quantities of dollars and half dollars that can be coined in an equal period of time? And what is the amount of aggregate expense respectively?

12th. Assuming the experience of recent years as the basis for estimating the probable extent of coinage of all descriptions, within what time, from the receipt of bullion or coin, might the Mint undertake to stipulate with the depositor for the delivery of coin when the new establishment is completed?

13th. How many days usually elapse before a mint certificate is issued? And would it be convenient and practicable to fix a certain and short period for rendering these receipts, without referenee to the quantity of bullion or coin deposited?

14th. What is the rate or discount at which the banks in Philadelphia generally cash Mint certificates?

15th. Does the assayer melt the entire mass of metal or coin deposited before he puts it to the test, or is the estimate of purity made upon an assay of a small portion of the quantity? And if so, is it found generally, in completing the refining, that the result corresponds or disagrees with the original estimate?

16th. Is the mode of assaying silver at the Mint invariable? And if so, are the results uniform, or are important variations occasionally experienced in testing similar mixtures of metal? What is the mean heat in fusion? What is the proportion of lead to fine metal? Are the cupels of the ordinary shape, or formed with high sides?

17th. Have any experiments been made at the Mint testing the fineness of silver by what is termed the humid mode, precipitating a quantity of silver (previously dissolved in nitric acid) in a preparation of water and marine salt?

18th. The Secretary of the Treasury will oblige the committee by causing assays to be executed with the greatest accuracy, and with all convenient despatch, of nine whole and nine half dollars, coined at the Mint, and taken indiscriminately from a mass of recent issues, and also of nine dollars lately minted in Mexico, and in Peru, during the same year, and also of nine five franc pieces of full weight, the operation to be performed on one-third part of each denomination of these coins, at the mean or ordinary temperature used, at a low heat, and also at an elevated temperature; and in one of each of these three distinct operations, the quantity of lead used is to be precisely one-third of the weight of fine silver.

The committee request your opinion as to the expediency, in the existing state of our currency, of making the silver dollars of the late Spanish possessions in America, and five franc pieces of France, legal tenders in payments, according to our standard; and they will feel obliged by any suggestions which you may think it advisable to present as to the propriety or utility of additional regulations for the government of the Mint, in respect to minting foreign coins, when of full weight and standard fineness, as well as to the practicability or advantage of the Treasury assuming the responsibility of disbursing promptly the amount of all deposites of bullion at the Mint, at the average or current rate of discount upon mint certificates.

I have the honor to be,
With great respect,
Your obedient servant,
CAMPBELL P. WHITE.

Hon. S. D. INGHAM,
Secretary of the Treasury.

B.

TREASURY DEPARTMENT, *February*, 1831.

SIR: I have the honor to enclose you two letters from the Director of the Mint, in answer to the enquiries propounded in your letters of the 5th and 14th of January. The considerations, which seem entitled to weight

in determining the propriety of making Mexican dollars and five franc pieces a legal tender, are so fully presented by the Director of the Mint, that there appears to be but little to add. I do not perceive any injury that can arise from admitting both these coins as a tender for a limited time, provided it be done at such weight as will clearly make it the interest of all who hold them to cause them to be coined. The Director of the Mint has estimated the cost of coinage to the holder of bullion at about 1 per cent. The foreign coins intended to be made a tender, should of course contain an excess of metal over the legal value, which would somewhat more than remunerate for this loss, as an inducement to send them to the Mint.

I beg leave to observe, in connexion with the various matters referred to your committee, that, in the report made to the Senate in 1830, on the relative value of gold and silver, the ratio of 1 to $15\frac{5}{8}$ was recommended as the most suitable to be established in the coin. It has since been suggested, from a highly respectable source, that the ratio of 1 to 15.5769 might be preferable, on account of its rendering the ratio in the standard metal 1 to 16, whereby the coins could be used as weights for each other, one silver dollar being made thereby equal to 16 gold dollars. At the first view, this effect appeared so desirable as to justify a corresponding modification in the ratio to secure it; but, upon further reflection, it appears to me, that coined pieces, subject to continual change by attrition, cannot be depended upon as standards of weight, and more especially as the small silver pieces upon this plan must be chiefly used to weigh gold coins. The former, of course soon becoming light, will be bad standards to weigh gold with, and, so far as they might be relied upon for that purpose, would tend to encourage the circulation of light gold coins.

Another modification has occurred to me, which is not liable to these objections, and has all the simplicity which could be desired. If the standard for gold and silver coins be established at $\frac{9}{10}$ fine $\frac{1}{10}$ alloy, and the ratio of 1 to $15\frac{5}{8}$ in the pure metals be adopted, the eagle will weigh $237\frac{1}{2}$ grains pure, and 264 grains standard, and the silver dollar will weigh $371\frac{1}{4}$ grains pure, and $412\frac{1}{2}$ standard, which will render the weight of the eagle and its parts in whole grains, and also that of the dollar and its parts in grains, and binal divisions thereof.

The adoption of $\frac{9}{10}$ fine for the standard will also be attended with some advantages, whenever it may be necessary to ascertain the value of the coins by weight. The more simple this intricate subject can be made, the greater number of persons will be protected from the skill of the few. The present standard for our silver coins of $\frac{1485}{1664}$ is peculiarly exceptionable on this account; and as there is, I believe, no doubt but the mixture of $\frac{9}{10}$ fine, and $\frac{1}{10}$ alloy, will make as durable a coin as any other, there seems to be really no objection whatever to such a modification. I need scarcely add, that, in all the changes I have suggested in the report on the relative values of the metal, or elsewhere, the present weight of the fine silver in the dollar is not intended to be changed, or its intrinsic value affected in the slightest degree. When the weight of the dollar was fixed at 416 grains standard, it was probably intended to correspond as nearly as possible with the Spanish dollar, then almost the only coin in circulation. That reason is not now entitled to much, if any, weight, as the proportion of Spanish dollars to United States is small, and, when the increased power of the Mint takes effect, must daily diminish.

I take the occasion further to remark, that the ratio of 1 to $15\frac{5}{8}$ renders

the pound sterling $4,75½; but as the intrinsic value of the pound sterling in silver dollars must depend on the market value of the fine silver contained in a dollar, it is not important that the legal par of exchange should conform to the regulation of the relative value of the metals in the coins. It would in fact be more convenient to make the legal par conform to the market value of the metal in which the standard of value in the United States is determined; because, in that case, there would be no difference between the nominal and the real par. The relative values of gold and silver in the market, as heretofore ascertained, is very near 1 to 15.8. The pound sterling will, therefore, at real par, be worth $4 80; and if the legal par were to be changed, the pound sterling would be estimated at that sum, which is in fact its present true value, as estimated in all operations of exchange with England. And if it were so fixed by law, it would simplify these operations materially, besides furnishing a most convenient mode for computing exchanges with Britain: 240 pence (pound sterling) being equal to 480 cents, 1 penny sterling is equal to two cents.

But to alter the legal par from $4,44 to $4,80 for the pound sterling, would increase the invoice value of importation from England about 8 per cent. The change ought not, therefore, to be made without full consideration of its effect in this particular. In the mean time, however, there is no objection to changing the ratio of the pure metal in the coins. There can be little doubt but that the present ratio of 1 to 15, fixes gold altogether too low; and unless the United States' mines should furnish it in such abundance as to reduce the price throughout the world, it will not be possible to maintain gold, to any extent, in circulation, without raising its value in the coins. The ration of 1 to $15\frac{5}{8}$, and standard of $\frac{9}{10}$ fine, are recommended by so many considerations, as to require some special reason for adopting any other; but if that be deemed proper, I should strongly incline to prefer a lower rather than a higher valuation of the gold, for the reasons stated in the report before referred to. But on this point, I can only observe that there is no reasonable ground now visible for apprehending an injurious exportation of the silver coin under the ratio proposed; and we may be the more encouraged in adopting it, by the decision of the Senate in favor of a considerably higher value for gold, viz. 15.9 to 1.

I have the honor to be,
With great respect,
Your obedient servant,
S. D. INGHAM.

Hon. C. P. WHITE.

C.

MINT OF THE UNITED STATES,
Philadelphia, 22d January, 1831.

SIR: In compliance with your request, under date of the 7th, accompanying a copy of the letter therein referred to, addressed to the department by a select committee of the House of Representatives, I have now the honor to submit the information in my possession, on the several points presented by the committee, which I beg leave to refer to, numerically, in their order, without reciting them.

1st. The dollars issued by the new States of Mexico, Central America, and Peru, are equal in fineness and weight to those issued under the dominion of Spain. The Bolivian dollar, and that of La Plata, are probably equal to the foregoing, but are rare and little known at the Mint. The Chilian dollar is of the same fineness as the above, but inferior thereto in weight, usually, by one grain each. All those coins exhibit, in general, a less careful workmanship than the ordinary Spanish dollar. The Columbian coin, improperly called a dollar, is far inferior to its denomination, both in fineness and weight.

2d. The statements communicated to the President, December 27, 1826, are not impaired by the results of subsequent assays, in regard to the fineness of the coins issued by the new American States. They are, however, found to weigh slightly less in recent deposites than those statements exhibit. This results partly from the increasing proportion of coins, somewhat diminished by wear, which enter now into all deposites of that description, and partly from the fact that our weights have been adjusted since that day, by the standard troy pound designated in the act of Congress of May 19th, 1828, and have thereby become a little heavier. We have had so little experience in regard to the five franc pieces since 1826, that nothing can be usefully added, respecting coins, to the statements then made, except in regard to their weight, which will be affected in some degree by the considerations just mentioned. A few specimens of the issues of 1829 were tried in that year at your request, and their value found to be 93 cents 4 mills, as mentioned in my letter of the 30th September, annexed to your report on the value of gold and silver.

3d. Spanish dollars, and those of the new Mexican States, especially Mexico, form a very considerable proportion of the deposites at the Mint, as will appear by referring to table A, hereto annexed. The considerations mentioned under No. 2, tend to render the result less favorable to the depositors than the statements before alluded to would indicate. The average gain on Mexican dollars, as now received, may be estimated at from 4 to 5 mills each.

In regard to the Spanish dollar, our experience within the past year, and especially in recent deposites, has been conspicuously at variance with the statements of 1826. Several deposites of large sums have been found to afford a very trivial gain on recoinage. This is due wholly to a deficit in weight not exhibited at the Mint in any former year, and indicating that a considerable proportion of the Spanish dollars remaining in the United States, are the residue of parcels from which the most perfect coins have been selected. The effect of this, added to the suspension of new emissions, by which their average weight could be partially sustained, must render such results in relation to deposites of the Spanish dollar frequent hereafter. A deposite of these coins, amounting to $170,000, weighed on the 13th instant, is a further illustration of this fact—the gain being only nine-tenths of a mill per dollar.

Five franc pieces are not deposited in such quantities as to afford data for an average in regard to them. No deposite of this coin, meriting notice, has been made in recent years.

4th. Of the amount of bullion received within the period embraced by table A, and exhibited in the first column, about one-tenth part consisted of plata pina. This term is applied to silver collected by the aid of mercury, and brought to the mint without having been melted. The average value

of this form of bullion, when reduced to a condition suitable for assaying, may be stated at $1 25 per ounce troy, being about 8⅓ per cent. above the standard value of our silver coins. It is to be noted, however, that plata pina is subject to melting before it is assayed, and in this process is diminished, on an average, about three per cent. in weight, by the dissipation of some remains of mercury and of humidity absorbed by the porous quality of this form of bullion, as also the separation of other extraneous matters occasionally found therein; so that, in this condition of its ordinary delivery at the Mint, its value may be estimated at about 5⅓ per cent. above its weight in silver coins. Bullion of other descriptions, on an average of the whole amount embraced in the table, is found to be worth about $1 21 cents per ounce, being about 5 per cent. above the value of standard silver. It is proper to state, that all silver, not in the form of coin, is in this arrangement denominated bullion, which thus includes a proportion of plate. The great mass of it, however, consists of silver which has been melted only, but not wrought in any manner.

5th. Table A exhibits the proportions of silver bullion and coin received at the Mint, and also the amount of the several denominations of silver coins issued annually, from 1815 to 1830 inclusive. No separation is made of old and defaced from new and perfect coins. They are all received by weight as bullion. In the column of various coins, a large amount of irregular coins of Spanish America is embraced, called hammered and cast dollars, also all the European coins, of which, except the five franc pieces, the amount is inconsiderable, and of these less than $200,000 are to be found separately deposited, within the period assumed. The column denominated Mexican dollars, embraces also that of Central America, Peru, and Chili, which are generally deposited with the Mexican, but constitute an inconsiderable proportion of the amount under this head.

6th. The average loss by wastage on silver coinage may be stated at the fourth of one per cent. on the amount coined. The last four years give a small fraction less. This is borne by the United States; the depositer receiving in coins, agreeably to law, all the fine metal he brings, and without charge if the bullion be of standard quality. If it be above standard, the depositor is charged for the requisite alloy; and, if below standard, he is charged with the expense of the materials required for refining.

7th. The wastage is not influenced by the character of the bullion as to fineness, unless it be such as to require refining. In this operation there must be some loss, and all the processes by which other bullion is exposed to loss are subsequently to be passed through. The waste on refining will be in some proportion to the degree of baseness, but the ratio has not been determined. The wastage is ascertained only at the end of the year. Very few deposites of coins require to be refined. They are among the deposites, therefore, liable to the least wasteage, and there is no appreciable difference, in this respect, between new and old coins.

8th. The expense of the coinage of silver is necessarily combined with that of gold. On an average, however, of the years 1826 and 1828 inclusive, in which the coinage of gold was inconsiderable, and may, therefore, in a general estimate, be disregarded, the expense, excluding wastage, it appears, may be stated at one per cent., with a very near approximation to exactness—the wastage, as before mentioned, being the fourth of one per cent., and making the whole expense for that period about 1¼ per cent., which may be considered as the average for a silver coinage of about $2,300,000

yearly. This per centage of expenditure will diminish with the amount of issues, a portion of the annual charges of the Mint being fixed. The gradations of reduction cannot, however, be now determined; but it is believed that the expense on a coinage of four millions of dollars may be effected at something less than one per cent., including wastage.

There is no apparent difference in expense between deposites of the ordinary character of bullion, and those of foreign coins usually received at the Mint. Both unwrought bullion and coins, which require to be melted before assaying, are, to that extent, more expensive to the United States than deposites in which this may be dispensed with, the materials and labor thus required being a part of the general expenses of the Mint; but the difference eludes notice by its minuteness, when singly designated.

9th. Our present force is adequate to the coinage of 600,000 half dollars monthly. This result will be in some measure affected by the attention given to the smaller denominations, but so that the amount of the years' coinage will accord nearly with the above. This is exclusive of gold, the amount of which, if unusually large, will somewhat impede the silver coinage.

10th. The new Mint will be competent, no doubt, to the coinage of ten millions, in due proportions, of the different denominations of our coins, if bullion be regularly supplied. Its utmost power I would not now venture to indicate. The coinage will, it is hoped, commence as early as August next. The fourth of July was designated as the time, when the corner stone was laid; but this, I apprehend, cannot be accomplished. The establishment will not probably be in readiness for vigorous operation till near the close of the present year. It is not relied on to promote the issues of this year more than will be equivalent to the retardation of a removal.

11th. Three thousand dollars, in dollars, most probably more, may be coined in the same time as two thousand in half dollars, with an equal number of presses; and the annual expense, wastage excepted, would be about the same. The wastage per cent. on dollars would be less than on the lower denominations, but the difference would be unimportant between dollars and half dollars.

12th. It is anticipated that the demand for coinage may be met by the new Mint, with a delay rarely exceeding twenty days. Prompt payment, as soon as the value shall have been ascertained, will, it is supposed, be practicable for all deposites of moderate amount.

13th. The value of a deposite requiring only a single assay is generally ascertained, and a certificate issued, in twenty-four hours. If there are several parcels, and especially if they require previous melting, the time is extended to two or three days, and if the number be large, and also require melting, the delay will occasionally exend to four or five days.

14th. The banks generally cash Mint certificates at a deduction of the half of one per cent., if the coinage is not apprehended to be very remote: the Bank of the United States, without regard to the interval to elapse before coinage, receives Mint certificates at that deduction.

15th. The assayer takes a small piece from each bar or separate mass of bullion, and estimates the whole value from the assay of that piece. The result, in regard to the mass generally, confirms the correctness of the estimate deduced from the assay thus made. In a given instance, this will be, occasionally, incorrect: on an average, however, it will be found liable to no important failure. In the process, now frequent at the Mint, of parting

gold and silver, the small assay is tested by an actual analysis of the whole mass; permitting the two metals to be separately weighed. This is a happy experiment of the correctness of the assay, and the accordance with it is generally satisfactory It may be remarked that the purity of our coins is not dependent wholly on the assay of bullion or foreign coins when deposited; all ingots prepared therefrom for coinage are, before delivery to the chief coiner, assayed again, and returned to the melting pot when found to require it.

Foreign coins of well established character, when deposited, are estimated on their known fineness, the assay being from time to time employed to ascertain their uniformity in this respect. This is particularly convenient and almost indispensable in our present establishment: the delay of melting large deposites of coins would be sensibly felt in the business of the year. In the new Mint this difficulty will be removed, and, without retarding the ordinary operations, coins can be very generally melted before assaying.

16th. The mode of assaying hitherto pursued for silver has been that of cupellation. It is not perfectly constant in its results. A liability to errors amounting to the half of one per cent. is well known to be involved in the process, if the ordinary directions for conducting it are relied on, without any corrective of its irregularities. This liability is, however, very much restricted by introducing into the muffle, along with the assays in question, another piece of determinate standard, and near the fineness of the metal tried. The causes which operate to render the assay incorrect extend their influence to the proof piece, and afford the measure of the corrections to be applied in the case—not a perfect, but a valuable correction.

The assayer of the Mint has acquired, by long experience, a facility in judging of the condition of his muffle, which, frequently confirmed by the employment of the proof piece, renders his results more constant and exact than are usually obtained, I apprehend, from this process.

The heat employed is not determined by any form of pyrometer. It is, during the early part of the process, insufficient to sustain fine silver in a state of fusion. Towards the close, the heat is excited as the alloy is dissipated, so as to keep the silver fused when it becomes fine, though it would not, during the process, melt fine silver. This appears to be the desirable point of temperature. At a lower heat, the assay would become fixed and constant before it would become fine, and the process thus be defeated. The eye of the assayer judges when the silver has become divested of its alloy. Too high a temperature urges on the process, and wastes a portion of the silver.

The difficulty of measuring high degrees of heat accurately occasions wide discrepancies in the temperature assigned by different authorities as the melting point of silver. It is probable that the final temperature of a successful assay may be about 4,000 degrees of Fahrenheit.

The proportion of lead to fine silver, in our ordinary assays, is about 7 grains of lead to one of silver. The common form of cupel is employed, a shallow cup.

No silver assays have been made here in the humid way. The subject having, however, attracted the attention of foreign assayers and chemists, and the probability being great that they may be led to select this method, under some modification, in preference to cupellation, a series of experiments will be considered worthy of attention with us, though the practice beforementioned, of recurring frequently to a proof piece, renders us less sensible

of the necessity of a change in this regard. A facile process in the humid way would, however, be decidedly preferable.

18th. The assays requested have been completed, and the results thereof will be seen in table B. In regard to a particular experiment, of performing a part of those assays with a portion of lead, exactly one-third of the fine silver, the suggestion has been exactly complied with. This quantity of lead forms, however, no envelope for the metal tried. An assay piece thus exposed was uniformly reduced about five pennyweights below those enveloped in the usual form with lead, and placed in the same muffle. After three trials with similar results, the experiment was discontinued, as it somewhat interfered with the equal arrangement of the other assay pieces.

Nine pieces of each of the coins mentioned by the committee, taken without selection, except as to dates, the latest being sought for, were severally divided into three sections. Assay pieces were made from each section of the same coin, and exposed in the same muffle, successively, to the several grades of temperature. The result given under each degree of temperature in the table, is, therefore, the average of three assays, thus made, of three different specimens of the same coin.

In all cases, the same coin was experimentedon successively, through the different grades of heat, without interruption, the heat being further raised for each succeeding experiment.

The proof piece, of the fineness stated, was always introduced along with the assay piece. The variable effect on this proof, under a temperature intended to be the same, indicates the difficulty of adjusting this point, and the irregularities of result which this uncertainty of temperature involves. In the low and medium grade of temperature, which may be considered as the extreme limits of our ordinary assay heat, the highest error of the proof piece from its actual fineness, it appears, is 15 grains in excess. This is an error of 15 grains fine silver, in the troy pound of 5,760 grains standard, being a fraction over the fourth of one per cent. The assay piece, in this case, without the proof to correct it, would have given an enormous result to that extent.

The average of the low and medium temperatures, it appears, is very nearly true in the proof piece; the greatest deviation from the fineness due to it, combining the two assays, scarcely exceeds two grains. The true state of the coins will, therefore, be but derived from a similar average. If this be applied to the dollar of the United States alone, taking care to correct the assays by the proof, this coin appears $1\frac{1}{4}$ grains in the pound too fine. Applied in the same manner to the half dollar, this coin appears $5\frac{6}{13}$ grains inferior. The mean is $4\frac{3}{13}$, or the $\frac{1}{14}$ of one per cent. nearly. The same measure being applied to the five franc piece, this coin appears $3\frac{2}{3}$ grains in the pound inferior to its standard, which is about the $\frac{1}{13}$ of one per cent.

The result in regard to the Peruvian and Mexican dollars requires particular explanation. One section of the former of these coins, gave constantly, in all temperatures, a degree of fineness higher, by nearly one and a half pennyweights, than the ordinary grade of that coin. In the Mexican, on the contrary, one section gave constantly a result about one dwt. 18 grains inferior. In both descriptions, the other two sections gave results conformable to our ordinary experience. I have considered it best to report on both precisely as the facts occurred, without resorting to a change of specimens. There is not the smallest ground for supposing that either is any thing but an accidental variety. They exhibit strikingly the irregularities to which

the ordinary assay is liable, if not cautiously conducted, and with a frequent reference to a proof standard. All the specimens, both of Peruvian and Mexican dollars, were of 1830, as were also the five franc pieces, except two of 1829, but equally perfect.

The inquiry respecting the expediency of making certain foreign coins a legal tender is not probably intended to be addressed to me. I shall be excused, however, for expressing briefly that the condition of the Spanish dollar current at the present day renders its rejection probable, as a tender, and exposes those institutions which are liable to be called on for large payments to much embarrassment, while they may be well supplied with other dollars, worth more than their nominal value. The extension of the tender beyond the Mexican dollar will not, it is presumed, be necessary. That coin abounds in our country to an extent, probably, twofold the amount of all the other dollars of the new American States. It has become familiar to us, and is decidedly of more intrinsic value than the Spanish dollar has been for the last twenty years. In two or three years, so many of the Mexican dollars, which are profitable for coinage will reach the Mint, that the issues therefrom will place our currency beyond the reach of further embarrassment.

The amount of our own coins now in the United States cannot much exceed seventeen millions of dollars. This may be expected to be doubled in three years after the completion of the new Mint. It could be much more rapidly done, if bullion should be abundantly and regularly supplied; but time will be required to solicit those coins from their distant position to the Mint, unless the Government should adopt the policy of supplying bullion by a direct operation.

If the Mexican dollar be made a legal tender, it is presumed it will be in the same terms as those used in relation to the Spanish dollar, viz. at 100 cents each, provided the weight thereof be not less than 17 dwts. 7 grains. There will thus be a sufficient inducement of profit on their coinage to compensate the banks for presenting them at the Mint. They will be worth from 4 to 5 mills above their legal valuation.

The five franc pieces associate so inconveniently with our decimal denominations, that they have never been a popular coin. If, however, it should be deemed necessary to make them a legal tender again for a limited time, it is proper to observe, that the law by which they were formerly made so, involves an incongruity. They were made a legal tender at $1 16 per ounce, and also at 93 cents 3 mills each, provided their weight should not be less than 16 dwts. 2 grains. They never weigh this. It is above their weight when issued from the Mint. It would seem judicious to have an inducement for the recoinage of five franc pieces, nearly equivalent to that of the Mexican dollar. The valuation of $1 16 per ounce will have this effect, their value being very nearly $1 16.4 per ounce. If made a tender by tale at 93 cents, provided their weight be not less than 16 dwts. 1 grain, a similar inducement would remain: the five franc piece of 16 dwts. 1 grain is worth 93 cents 3⅓ mills.

I may be permitted to say, in regard to further regulations for the Mint, that it would be desirable to defer the subject until next session. There are various points which it is wished to submit, at that time, to the consideration of Congress, for the improvement of the institution. The whole system of laws in regard to it, which are now distributed through the various volumes of the acts of Congress, would be advantageous if digested into one act, with emendations in various particulars. In the interim, a series of

careful experiments will be made, which is already commenced, on the subject of the humid assay for silver; the result of which can be usefully compared with those obtained by the measures now in train in Europe.

The payment of deposites on behalf of the Treasury at the prevailing deduction, if not left optional with the depositor to accept or decline, would greatly restrict the amount of our deposites of foreign coins. The banks are the chief depositors of these; to them prompt payment is of no great moment, and the gain on coinage a prevailing inducement. The deduction would absorb this gain. A regulation on this point is among the subjects entitled to a careful regard, when the whole system is taken up for improvement.

I have the honor to be,
With great respect,
Your obedient servant,
SAMUEL MOORE.

Hon. S. D. Ingham,
Secretary of the Treasury.

TABLE A.

AMOUNT of Silver deposited in the Mint, and Silver Coin emitted annually, from the year 1815 *to* 1830, *both inclusive.*

Years.	Bullion.	Spanish Dollars.	Mexican Dollars.	Various Coins.	Amount deposited.	Amount coined.	Half dollars.	Quarter dollars.	Dimes.	Half dimes.
1815	–	–	–	43,169	43,169	17,308	–	17,308		
1816	–	–	–	6,042	6,042	28,575 75	23,575	5,000 75		
1817	61,970	516,623	–	275,402	853,995	607,783 50	607,783 50			
1818	76,945	694,260	–	254,606	1,025,811	1,070,454 50	980,161	90,293 50		
1819	142,457	669,385	–	202,115	1,013,957	1,140,000	1,104,000	36,000		
1820	22,956	308,835	–	118,912	450,703	501,680 70	375,561	31,861	94,258 70	
1821	205,359	391,987	–	231,358	828,704	825,762 45	652,898 50	54,212 75	118,651 20	
1822	593,774	–	–	233,217	826,991	805,806 50	779,786 50	16,020	10,000	
1823	465,298	116,765	199,587	246,070	1,027,720	895,550	847,100	4,450	44,000	
1824	453,698	696,082	394,808	340,811	1,885,399	1,752,477	1,752,477			
1825	609,668	100,358	228,412	456,674	1,395,112	1,564,583	1,471,583	42,000	51,000	
1826	394,219	187,180	1,762,245	148,941	2,492,585	2,002,090	2,002,090			
1827	357,465	–	1,824,997	157,658	2,340,120	2,869,200	2,746,700	1,000	121,500	
1828	553,212	206,834	770,476	171,398	1,701,920	1,575,600	1,537,600	25,500	12,500	
1829	832,099	65,028	1,168,486	155,408	2,221,021	1,994,578	1,856,078	–	77,000	61,500
1830	912,373	227,860	1,949,979	117,560	3,207,772	2,495,400	2,382,400	–	51,000	62,000
Dolls.	5,681,493	4,181,197	8,298,990	3,159,341	21,321,021	20,146,849 40	19,119,793 50	323,646	579,909 90	123,500

TABLE B.

SILVER COINS assayed at the annexed grades of temperature.

	COINS ASSAYED.	Result, at nearly usual temperature.			Result, at medium temperature.			Result, at elevated temperature.		
		Oz.	Dwts.	Grs.	Oz.	Dwts.	Grs.	Oz.	Dwts.	Grs.
1st course	Dollars of the United States - - - -	10	14	$13\frac{11}{13}$	10	13	$19\frac{9}{13}$	10	13	$1\frac{5}{13}$
	Proof piece of United States standard, viz. 10 oz. 14 dwts. $4\frac{5}{13}$ grs. fine in 12 oz. - - -	10	14	$10\frac{1}{13}$	10	14	$0\frac{9}{13}$	10	13	$4\frac{5}{13}$
2d course	Half dollars of the United States - - -	10	13	$21\frac{11}{13}$	10	13	20	10	12	$13\frac{9}{13}$
	Proof piece of United States standard, viz. 10 oz. 14 dwts. $4\frac{5}{13}$ grs. fine in 12 oz. - - -	10	14	2	10	14	$2\frac{9}{13}$	10	12	20
3d course	Five franc pieces - - - - -	10	16	7	10	15	$9\frac{2}{3}$	10	14	$14\frac{2}{3}$
	Proof piece of French standard, viz. 10 oz. 16 dwts. fine in 12 oz. - - - - -	10	16	15	10	15	14	10	14	12
4th course	Peruvian dollars - - - - -	10	16	8	10	15	18	10	15	$4\frac{2}{3}$
	Proof piece of 10 oz. 16 dwts. fine in 12 oz. -	10	16	8	10	15	$13\frac{1}{2}$	10	14	15
5th course	Mexican dollars - - - - -	10	15	15	10	15	0	10	14	3
	Proof piece of 10 oz. 16 dwts. fine in 12 oz. -	10	16	8	10	15	$13\frac{1}{2}$	10	14	15

D.

MINT OF THE UNITED STATES,

Philadelphia, January 28, 1831.

SIR: The information requested in your letter of the 15th, received on the 20th, in regard to the wastage, deposite, and expenses on the coinage of gold and silver; the charges on each metal separately; excluding, but stating the gain on copper for each year since 1815; and also the expenditure on the new Mint; will be found in the annexed table, except the particular last mentioned.

The aggregate amount of deposites and coinage of gold and silver is given for each year of the period named, with the aggregate expense thereon, excluding wastage; the annual wastage on both metals, jointly, being also given for the whole period.

A specification of the gold and silver coinage, with the wastage on each, severally, is given only for the last seven years, beginning with 1824; the purpose of comparison, it has been believed, would be satisfactorily attained without extending the analysis further. This will be done, however, with as little delay as may be, if desired. Recent years, it may be remarked, being those of the most abundant coinage, offer the most instructive data.

The irregularity of the proportion of expenditure to coinage occasionally observed, is to be explained by the circumstance, that, within certain years, other than the ordinary expenses were incurred, such as the erection or repair of some building, or the construction of new machinery.

The expenses stated are those sustained by the United States; those paid by depositors, for alloy, refining, &c., when required, are not included.

The expenses of the coinage of gold and silver are unavoidably combined in our accounts, so that the proportion due to each cannot be specified. Our gold coinage has generally been too small to be felt very sensibly in the expenses of the year. It is believed that the expenses of a coinage of three millions of dollars in gold, wastage excepted, would not exceed $\frac{1}{2}$ of one per cent., and that the addition of two millions more would not add more than $\frac{1}{10}$ of one per cent. on the additional coinage, wastage excepted. The coinage of three millions in silver, in due proportions, of the various denominations of our coin, may be estimated to cost, wastage excepted, about $\frac{5}{6}$ of one per cent., and an addition of two millions more would not, probably, cost more than $\frac{1}{3}$ of one per cent., wastage excepted, on the additional coinage.

There is no charge on the coinage either of gold or silver. Bullion above standard is alloyed, and that below standard is refined, at the expense of the depositor. These preliminary operations place the deposite on a par with one of standard fineness, the coinage of which is free, the depositor receiving in coins the full weight of the standard bullion deposited. This is the inducement by which bullion is solicited to the Mint. The United States provides neither gold nor silver for coinage.

The per centage of expense diminishes as the amount coined becomes greater—certain expenses of the establishment being fixed. The coinage of gold and silver for the whole sixteen years is nearly 24 millions, or about one and a half millions annually; the expense of which, excluding wastage, will be found to be $1\frac{1}{2}$ per cent. very nearly. The coinage of the last seven years is $15,806,270 50, or $2,258,000, in round numbers, yearly; and the expense thereon, it appears, is one per cent. and a minute fraction. The

average coinage of the last two years is $2,714,400, and the expense, excluding wastage, is 89-100 of one per cent.

The aggregate wastage of the whole period of 16 years, is 27½-100 of one per cent. The wastage of the last seven years is 24-100 of one per cent., that of the silver being 24½-100, and that of the gold 19½-100 of one per cent.

In regard to wastage, it is further to be observed, that a portion of this is from time to time recovered from the broken crucibles, &c., which are carefully reserved for this purpose to a convenient period. During the suspension of business consequent on the late war, the amount of $2,859 39 was thus recovered, and passed to the credit of the United States. Means will be provided in the new Mint for triturating the fragments of crucibles and other refuse, and making the recoveries alluded to yearly.

The gain on copper, as stated in the table, is subject to a deduction for the expense of distributing copper coins to all parts of the United States. The amount thus to be deducted may be estimated at about 5 per cent. on the profit exhibited, thus reducing the whole gain on copper for the last 16 years to about $86,000. The gain is stated on the books of the Mint when the copper for coinage is received. The coinage and distribution, however, may be partially or wholly in the ensuing year. The expense of coining copper is embraced in that of gold and silver.

The profit on copper, estimating from the increased demand for cents, will, probably, in the present year, and on an average of future years, be not less than $10,000, diminishing to that extent the effective charge of the Mint establishment.

The sum of the expenditure on the new Mint, including the site, is $108,667 64. A few accounts not yet rendered, it is conjectured, may amount to nearly $1,500 in addition to the above.

Very respectfully,
Your obedient servant,
SAMUEL MOORE.

Hon. S. D. Ingham,
Secretary of the Treasury.

TABLE.

YEARS.	Amount gold and silver deposited.	Amount gold and silver coined.	Expenses, including wastage.	Wastage on gold and silver.	Amount of silver coined.	Wastage on silver.	Amount of gold coined.	Wastage on gold.	Gain on copper.
1815	44,888 47 5	20,483	14,478 43	Deferred	-	-	-	-	906 92
1816	20,578 28	28,575 75	18,239	Deferred	-	-	-	-	5,620 39
1817	896,855 15 5	607,783 50	31,984 72	2,373 02 5	-	-	-	-	10,887 66
1818	1,222,221 55	1,313,394 50	23,570 76	4,713 77 5	-	-	-	-	10,131 29
1819	1,353,660 05	1,398,615	24,903 81 5	4,822 82 5	-	-	-	-	10,398 97
1820	1,690,408 43 5	1,820,710 70	21,345 87 5	6,263 56 5	-	-	-	-	4,146 19
1821	1,021,606 23 5	1,015,087 45	19,912 03	3,743 07 5	-	-	-	-	11,467 46
1822	919,127 46 5	894,786 50	20,763 82 5	2,804 46 5	-	-	-	-	1,233 39
1823	1,092,303 95 5	967,975	19,907 00 5	3,244 19 5					
1824	1,973,071 37	1,845,677	20,172 65 5	4,023 92	1,752,477	3,829 62 5	93,200	194 29 5	4,021 44
1825	1,551,890 93 5	1,720,968	20,774 74 5	3,786 59	1,564,583	3,391 56 5	156,385	395 02 5	2,346 68
1826	2,576,946 14	2,094,335	22,871 49	5,793 33	2,002,090	5,522 92 5	92,245	270 40 5	8,451 43
1827	2,471,944 12 5	3,000,765	28,303 02 5	7,338 69 5	2,869,200	7,018 55 5	131,565	320 14	8,303 29 5
1828	1,844,062 41	1,715,745	22,018 88 5	3,664 07 5	1,575,600	3,364 62 5	140,145	299 55	4,469 78 5
1829	2,530,161 22 5	2,290,295 50	24,189 53	6,169 50	1,994,578	5,605 50	295,717	564	3,586 56
1830	3,843,786 05 5	3,138,505	24,071 12 6	7,145 52 5	2,495,400	6,152 34	643,105	993 18 5	5,227 99 5
Dolls.	25,053,511 86	23,873,701 90	357,507 05	65,886 56	14,253,928	34,885 13 5	1,552,362	3,036 60	91,199 47 5